

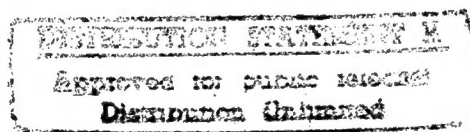
Kazakhstan Defense Enterprise Directory



Second Edition

Prepared By:
Bureau of Export Administration
U.S. DEPARTMENT OF COMMERCE

March 1995



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Your Guide to Investment
Opportunities in Kazakhstani Defense Conversion

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UNITED STATES DEPARTMENT OF COMMERCE
The Deputy Under Secretary for
Export Administration
Washington, D C. 20230

March 15, 1995

INTRODUCTION

With the publication of this second edition of the Kazakhstan Defense Enterprise Directory, we would like to reiterate the U.S. Government's commitment to promoting American private investment to encourage defense conversion in Kazakhstan.

U.S. Government help to bolster private U.S. investment in Kazakhstan is an important element in U.S. policy toward the Newly Independent States. It supports President Clinton's vision of the way trade can help nurture peace and prosperity abroad and bring economic vigor to the United States. While official government assistance will be important in supporting the processes of demilitarization, democratization, and economic reform underway in Kazakhstan, private sector investment has far greater potential to facilitate the restructuring of the Kazakhstani economy and to raise living standards.

At this time American business has the chance to enter sections of the Kazakhstani market never before open to foreign firms, including where defense conversion is occurring. Opportunities exist, but much will depend on the initiative, creativity, and persistence of American business to make the most of them. The benefits from investment flow both ways, by supporting American jobs and profits as well as helping to maintain U.S. competitiveness.

The Department of Commerce is publishing this Directory to help U.S. businesses as they investigate the investment possibilities connected with Kazakhstani defense conversion. We hope that the information contained here will lead to productive and successful new business relationships between enterprises in both our countries.

The Department wants to thank the many people, organizations, companies, and Government entities--both U.S. and Kazakhstani--that have provided valuable input to this project.

The coordinator for this Directory was Mr. David Gilmore of the Office of Strategic Industry and Economic Security of the Bureau of Export Administration. Deputy Assistant Secretary John A. Richards heads that office. Please direct any questions or comments to Mr. John Isbell at (202) 482-4695.

Barry E. Carter
Barry E. Carter

DTIC QUALITY INSPECTED 2



Dear Ladies and Gentlemen:

I invite you to a new sphere of business for Kazakhstan which is opening on the basis of using the possibilities of enterprises of the defense industry in the creation of modern enterprises for the production of different types of equipment for the needs of the oil and gas, energy, medical, mining, and agroindustrial branches of the economy in Kazakhstan, as well as in other countries.

Defense conversion, in our country, is directed at providing for the well being of defense enterprises which are in transition from the output of military products to the production of goods with civil uses.

The improvement of the political situation, the lowering of the threat of war, the adoption of international agreements about nonproliferation of nuclear weapons and about the limitation of strategic offensive nuclear and conventional types of arms have created the need to reorient the enterprises of the military complex.

You know that enterprises of the defense industry have high technology, specialists of a high class, and therefore to not use this potential to improve our economy would be very imprudent. That is why we are actively creating the conditions to attract Western partners for the creation of modern enterprises, which have greater experience and expertise in the output of different types of equipment and which have diligently investigated the global market.

We are ready to deliver, as our input, a part of the capabilities of our defense enterprises, their intellectual potential, and from our partners we seek suggestions for organization of modern production along with the corresponding investment and know-how.

Modern enterprises will be created on the basis of 100 percent private capital, of which the foreign partner can contribute whatever share he/she would like. According to the Law adopted by the Republic of Kazakhstan "On Conversion," these enterprises will receive preferential tax treatment.

The economy of Kazakhstan today is a huge consumer of equipment, especially for the development of deposits of mineral resources, which it has in great abundance, and for the creation of capabilities for processing these resources.

From the perspective of the development of the Republic and maintenance of a convertible national currency, as well as ideas laid out in the plan for the realization of the Program of Conversion of Defense Enterprises, we think that we must not waste time, and most importantly, the opportunities for realizing effective business in Kazakhstan. The corresponding conditions for this have already been created and will be created.

The information about the enterprises of the defense complex presented in this Directory is only a part of the story. In the course of our future meetings and discussions we will endeavor to get better acquainted and to find paths to realize our intentions in the nearest future.

With best wishes,

K. Baykenov
Chairman of the Committee on Defense Industry
of the Republic of Kazakhstan

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ENTERPRISE PROFILES

ENTERPRISE NAME: **Almaty Machine Building Plant Joint Stock Company**

ALTERNATE NAMES: Production Amalgamation "Machine Building Plant"; Kirov Plant; Mashzavod

ADDRESS:

Republic of Kazakhstan
480083, Almaty
Ulitsa Makataeva, 127

Telephone: (011-7-3272) 60-36-02, 60-36-01

Fax: (011-7-3272) 39-74-41

Fax: (011-7-3272) 26-79-05 (KORGAU central fax number)

Telegraph: STRELA

GENERAL OVERVIEW: Part of the National Joint-Stock Company "KORGAU". This enterprise produced torpedoes and almost all of the components for torpedoes.

The enterprise has already taken steps to diversify into commercial production--manufacturing institutional-sized mixing bowls, oil pumps, and tobacco conveyors.

The plant has 20,000 square meters of space and is located on 42 hectares of land. Sixty percent of capacity is currently being utilized. Total throughput on an annualized basis is currently at around 250,000,000 tenges.

PRIMARY BUSINESS: The manufacture of torpedoes (possibly the world's largest producer). Military orders have reportedly declined by 90 percent since 1992. This plant is the only one in the former Soviet Union with the capability to produce gas and steam driven torpedoes. Other primary production includes hydraulic equipment.

CURRENT MINISTRY SUBORDINATION: Ministry of Defense and Ministry of Industry and Trade

FORMER USSR MINISTRY SUBORDINATION: Ministry of Shipbuilding Industry

APPROXIMATE EMPLOYMENT: 4,000 (as of July 1994)

PRINCIPAL OFFICERS:

President: Gali Basenov

Vice President: Alexander Lymarev

Chief Engineer: Vladimir Saulin

OWNERSHIP: 90 percent owned by KORGAU and 10 percent owned by private investors.

YEAR ESTABLISHED: 1942

MILITARY PRODUCT LINES: Torpedoes and components (designed and manufactured at the plant). Twenty percent of production was allocated towards "special weapons"--weapons of mass destruction. An estimated 100 units of these weapons were produced per year under the former Soviet Union. Other products: Ship and submarine hydraulic actuation systems; solenoid valves with emergency shut-offs, capable of withstanding 200 kilograms of internal pressure, and controls; precision gears; marine boilers; controllers for boilers and ship power plants.

The plant is still producing a small quantity of military equipment.

CIVIL PRODUCT LINES: Medical goods- including lasers for dental surgery and dental presses for dental prostheses; wheelchairs; Manufacturing equipment- including tobacco presses, tobacco sewing machines/conveyors, dough kneading machines (mix 70 kilograms of flour in 4 minutes. \$3,000 FOB factory per mixer), large and small type air compressors, compressors for milling flour (only production facility in the former Soviet Union for this equipment), polished gears, worm gears, oil plunger pumps (piston/cylinder mechanism), submersible oil well pumps (approximately 2 inches in diameter; approximately 20 feet long), and heat treated, multi-step type valves (small); Consumer goods- including sewing machines, wheelchairs, solar energy products, portable gas stoves, and television assemblies.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: Scientific, sophisticated

machine building production; lathes; presses; numerically-controlled machines; metals fabrication; forging; welding (seven types); rubber and plastics making capabilities; thermal production; galvanizing; enamel coatings.

CONVERSION PROJECTS: Underwater (submersible) pumps for oil wells; mining equipment (approximate project cost \$3,000,000).

HUMAN RESOURCES SUPPORT: The enterprise provides housing, daycare, maternal care, and health care to all of its employees.

OTHER RELEVANT INFORMATION: JSC Machine Building Plant has considered the production of internal plunge pumps for oil and gas complexes located in Kazakhstan. These internal plunge pumps are designed for installation into oil wells to provide oil lifting capability from depths of 5000 meters to the surface and then to pipelines or tanks. The JSC Machine Building Plant states that it has skilled production personnel, the required internal plunge pump production facilities, and a full set of engineering specifications. In addition, the Machine Building Plant has indicated that it is working on producing pilot pumps.

The JSC Machine Building Plant's proposal indicates that Kazakhstan would require approximately 20,000 internal plunge pump units per year. The proposal indicates that total production costs would be financed through currency and credit funds.

The plant was twice relocated during World War II. At one time, it was relocated from Ukraine because of German advances.

Ten of the enterprise's officials were awarded the highest award given by the USSR Academy of Sciences.

To date, the enterprise has had very little interaction with Western firms. Officials attribute this to lack of advertising/marketing and to the fact that Western companies have not approached them.

The plant is strategically located in Almaty. Its large excess capacity and ample floor space could be utilized by a Western company for production and distribution into the former Soviet Union of its (Western) product line.

ENTERPRISE NAME: **Almaty Gidromash Joint Stock Company**

ALTERNATE NAMES: Hydromash; Gidromash Mechanical Plant; Gidromash Experimental Mechanical Plant; Zavod "Gidromash"

ADDRESS:

Republic of Kazakhstan
480061, Almaty
Raimbek Prospekt (Tashkentskaya), 334

Telephone: (011-7-3272) 26-53-00, 26-76-57

Fax: (011-7-3272) 26-98-39

Fax: (011-7-3272) 26-79-05 (KORGAU central fax number)

Teletype: 251019 VAL

GENERAL OVERVIEW: Gidromash is affiliated with the National Joint-Stock Company KORGAU. It is a fully integrated design and manufacturing facility. The factory produces 25 lines of consumer goods, and also manufactures sunflower-oil production lines. Gidromash is working on a project to manufacture equipment for the oil-refining industry (valves, reinforcement, etc) and is about to start production of wet/dry vacuum cleaners.

PRIMARY BUSINESS: Primary military products have included aircraft hydraulics; motors; motor components; and missile/rocket systems. However, the enterprise has no defense orders for future production runs after 1994. Products that this plant made to fill orders from Moscow are now being made in Russia (no orders were expected from Russia from 1994 on). However, according to enterprise officials, the plant is producing equipment for other countries (no further information is available on this).

FORMER USSR MINISTRY SUBORDINATION: Ministry of Defense Industry

CURRENT MINISTRY SUBORDINATION: Ministry of Defense and Ministry of Industry and Trade

APPROXIMATE EMPLOYMENT: 1,400, down from a peak of 2,200.

PRINCIPAL OFFICERS:

President: Pavel Beklemishev

Vice President: Yuriy Sukhov

OWNERSHIP: 90 percent owned by KORGAU; 10 percent owned by private investors. During 1994, KORGAU must sell additional shares of ownership to private investors through a three-stage privatization process. It will eventually own 51 percent of the enterprise.

YEAR ESTABLISHED: 1992. Before 1992, the enterprise was part of a Soviet production association.

MILITARY PRODUCT LINES: Components of missile delivery systems; has workshops and assembly lines for the manufacture of engine casings. Forty percent of the plant is still being utilized for the production of anti-submarine rockets/missiles. The production run of these weapons is expected to end this year (1994).

The plant was capable of supplying missile/rocket components to the entire Soviet Navy in the event of an emergency.

CIVIL PRODUCT LINES: The factory produces 25 lines of consumer goods, and also manufactures sunflower-oil production lines. It is working on a project to manufacture equipment for the oil-refining industry and is about to start production of 200,000 wet/dry vacuum cleaners for which it must first get steel from Russia.

The factory also has an agreement with a Belgian entity to supply 350,000 "Thermos" bottles made of welded steel over a two-year time period. The factory is negotiating with a German entity to produce food processing equipment. It is also interested in producing "Mossberg" rifles and power insulators for the Kazakhstani market.

The factory has made dishes from high quality stainless steel; stainless steel "Thermos-type" bottles; pots; pans; kitchen utensils; small-size propane and butane tanks for domestic gas stoves.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: Machining; heat treating; plating; injection molding; tool making; assembly. Most of the equipment consists of computer programmable lathes; special lathes for complex parts; and equipment for welding and thermal treatment of alloyed steel in vacuum and in a medium of inertial gases.

CONVERSION PROJECTS: Fittings for pipelines and heat-power stations (approximate project cost: \$2,400,000); consumer gas containers (approximate project cost: \$100,000).

HUMAN RESOURCES SUPPORT: The enterprise provides housing, daycare, and health care for its employees.

OTHER RELEVANT INFORMATION: Gidromash is interested in a possible joint venture with U.S. companies for the design, production, and sale of a wide range of gate valves and fittings. The valves and fittings will be installed on oil and gas pipelines, refinery units, extracting units, and water and steam mains. Currently, Gidromash has a set of engineering specifications for this equipment.

Gidromash has indicated that a market for such projects exists at fuel energy complexes located in Kazakhstan, Uzbekistan, Tajikistan, and Azerbaijan. It has identified potential sales of 10,000 sets per year with a selling price of \$400 per set. Gidromash has indicated that it would require 300,000 tenges and \$2,500,000 to procure the required production equipment.

The proposal indicates that a pilot lot would be produced in 1994 with full-scale production in 1995 if funding/financing becomes available.

Management is considered to have a very positive attitude towards developing commercial product lines and working with foreign entities.

**ENTERPRISE NAME: Kurchatov National Nuclear Centre (NNC)
of the Republic of Kazakhstan**

ALTERNATE NAME: NNCRK; Natsionalniy yaderniy tsentr Respubliki Kazakhstan;
Semipalatinsk Test Site; Semipalatinsk-21

ADDRESS:

Republic of Kazakhstan
490021, Kurchatov (Semipalatinsk - 21)
General Administration of NNC RK

Kazakhstan
480082, Almaty - 82
National Nuclear Center

Telephone: (011-7-3222) 67-79-23 (Kurchatov); (011-7-3272) 69-02-29 (Almaty)
Fax: (011-7-3222) 66-79-23 (Kurchatov); (011-7-3272) 63-33-56 (Almaty)
Email: DIR@INP.Alma-Ata.SU

GENERAL OVERVIEW: Facilities and resources of interest under the Nunn-Lugar program are the Semipalatinsk Test Site and the supporting personnel and infrastructure located in Kurchatov, which is 121 kilometers from the Semipalatinsk Test Site.

The National Nuclear Centre is composed of the Institute of Nuclear Physics (Alatau settlement), Institute of Nuclear Energy (Alatau Settlement), Institute of Radiation Security and Ecology (Almaty), Institute for Geophysical Research (Almaty), and other facilities within the city of Kurchatov and the Semipalatinsk Test Site.

The Semipalatinsk Test Site is comprised of approximately 2,000,000 hectares of land. (A hectare equals 2.471 acres.) It was used to test nuclear weapons both above and below ground (explosions were "vented"). The test site has a full array of equipment necessary for such testing. The site is similar to the Nevada test site.

The purpose of the National Nuclear Centre is to carry out basic research in the field of nuclear energy, develop industrial applications, monitor nuclear explosions at other locations, address problems of radioactive pollution, and restore the environment affected by nuclear testing.

PRIMARY BUSINESS: Radiation and nuclear technologies; testing.

FORMER USSR MINISTRY SUBORDINATION: Ministry of Medium Machine Building

CURRENT MINISTRY SUBORDINATION: Ministry of Industry and Trade

APPROXIMATE EMPLOYMENT: 2,000 employees

PRINCIPAL OFFICERS:

General Director (of National Nuclear Center): Gadlet Andiiianovich Batyrbekov

Deputy General Director: Sergei Vagin

OWNERSHIP: 100 percent State-owned--National Nuclear Centre

YEAR ESTABLISHED: 1993 (establishment of the National Nuclear Centre)

MILITARY PRODUCT LINES: Nuclear weapons testing. The site has three "special" (i.e. military) nuclear reactors (in 40-70 km range of Kurchatov). It has special testing stands and facilities. Supported with car and railroad communications.

CIVIL PRODUCT LINES: Over 16 different types of mineral deposits are located at the test site (including agate, different types of clay, cobalt, copper, silver, gold, coal); scientific intensive technologies; and food products. The Centre has also created equipment for making charcoal briquettes.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: The Centre has several nuclear research reactors including: a 10MW water-water thermal (WWR-K), a 10-GW impulse uranium-graphite thermal (IGR), a 72-MW advanced water cooled (IWG-IM), an advanced research high temperature gas cooled (RA), and an industrial fast neutron reactor (BN-350). The Centre also has special testing stands and facilities. It is supported with car and railroad communications.

CONVERSION PROJECTS: The site has several small contracts with the U.S. Defense Nuclear Agency (DNA) for nuclear ecology (damage assessment; study on remediation; ground survey for medical effects; medical assistance and supplies. The U.S. Department of Energy is currently funding a partnering program between U.S. and Kazakhstani scientists from this site.

Other projects include other means of liquidation of the consequences of nuclear testing in Kazakhstan; establishment of a scientific, technical and technological base for nuclear energy development for civilian purposes; setting-up a treatment and diagnostic medical facility on the base complex for those infected as a result of nuclear testing; and development, processing, and commercial sale of semiprecious minerals.

Development of deposits of coal, clay and semi-precious stone located on land controlled by the Center.

A high-level Kazakhstani government official proposed to form a joint venture with a "Silicon Valley type" firm for production of gallium arsenide chips at a facility located at this site.

The directors are open to potential joint ventures which would use the facility's people and equipment that previously supported nuclear testing at the facility.

HUMAN RESOURCES SUPPORT: Schools, living quarters, daycare, health care, recreation.

OTHER RELEVANT INFORMATION: A decree, signed in January 1994, of the Cabinet of Ministers of the Republic of Kazakhstan granted NNC RK the right to establish industrial financial companies and extract mineral resources. (The Kazakhstani Government wants to encourage creation of new ventures that would team skilled Kazakhstanis with Western partners in commercial ventures.)

NNC is an independent body of republican subordination. It has the right to make use of the technical base of the former military industrial complex of Semipalatinsk test site. It has the exclusive right to use property located on grounds allotted to the NNC (1,000,000 hectares).

The population of Kurchatov was approximately 50,000 under the USSR.

ENTERPRISE NAME: Aqtau Kaskor Joint Stock Company

ALTERNATE NAMES: Shevchenko Caspian Mining and Metallurgical Combine; Prikaspiskiy Mining and Metallurgical Combine; AO "Kaskor"; formerly known as Prikaspiyskiy Combine

ADDRESS:

Republic of Kazakhstan
466200, Aqtau (Shevchenko), Mangistau Region

Telephone: (011-7-3292) 51-55-00 (Kuznetsov); (011-7-3292) 51-52-15

Fax: (011-7-3292) 51-12-12

Fax: (011-7-3292) 50-62-88 (KATEP)

GENERAL OVERVIEW: Kaskor is affiliated with the National Joint Stock Company KATEP. Kaskor combines a series of large factories which are technologically interconnected. All plants are in the Shevchenko area outside the city. The mining complex consists of two enterprises engaged in mining uranium-phosphate raw materials which contain a wide range of rare-metals. The chemical complex, designated for the comprehensive processing of the phosphate raw materials, consists of sulfuric acid, nitric fertilizer and chemical-hydrometallurgical factories. The machine building complex consists of mechanical-repair and machine-building factories. The cosmetics firm "Dikfa" was created within the framework of conversion.

Kaskor specializes in scandium and rare earth mining (phosphorous; strontium; beryllium; osmium). It started uranium mining/production in 1955. It produced uranium (but did not enrich it).

PRIMARY BUSINESS: Rare earth, scandium and uranium mining, mineral fertilizers, hydrometallurgy. Export operations: Uranium - to Germany, Austria; fertilizers - China, Europe, NIS; agricultural machinery, including dairy equipment - Russia.

FORMER USSR MINISTRY SUBORDINATION: Ministry of Non-Ferrous Metallurgy

APPROXIMATE EMPLOYMENT: 11,200 employees as of May 1, 1994.

PRINCIPAL OFFICERS:

President: Kayrolla Erezhepov

First Vice President: Alexander Malinin

Chairman of the Board of Directors: Yuriy Vladimirovich Kuznetsov

Deputy Chairman: Yuriy Tkachev

OWNERSHIP: State - 61 percent; Company - 31 percent

YEAR ESTABLISHED: 1959

MILITARY PRODUCT LINES: Uranium mining and enrichment; uranium products. The materials Kaskor produced used to be used for military purposes. Kaskor is decreasing uranium production because of ecological reasons.

CIVIL PRODUCT LINES: Extraction of scandium and rare-earth elements; production of mineral fertilizers (phosphate); ammonium acids; nitric acids; agricultural equipment; consumer goods, including toothpaste and shampoo.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: Specialized mining equipment for the extraction of rare-earth metals, uranium, and acids/organics. Shaft and open-pit ore mining, hydrometallurgy, leachers, extractors, electrical furnaces, equipment for synthesizing ammonia and producing sulfuric acid.

CONVERSION PROJECTS: Kaskor is studying a large number of projects. These include production of drill bits for the oil industry, ammonia and carbide production (approximate costs- \$200 million), production of fire resistant bricks, and expansion of their consumer products business.

HUMAN RESOURCES SUPPORT: Kindergartens, vacation facilities, sports, and medical facilities.

OTHER RELEVANT INFORMATION: Kaskor is one of eight plants in the entire former Soviet Union with the capability to mine and produce rare earth metals. Two other Kazakhstan-based companies, Irtyshky Chemical-Mining Plant and Ulbinsky Mining Plant, also have these capabilities.

Accessible by rail, air, and sea. (It sells minerals to Spain, via sea.)

ENTERPRISE NAME: Oral Zenit Plant Joint Stock Company

ALTERNATE NAMES: Production Amalgamation "Uralsk Zenit Machine Building Plant"; "Zenith"; Production Amalgamation Uralsk Machine Building Plant "Zenith"; AO "Uralskiy zavod Zenit"

ADDRESS:

417818 Oral, Kazakhstan
Narimanov Street, 28

Telephone: (011-7-31122) 2-94-06, 2-27-28

Fax: (011-7-31122) 2-25-87; (011-7-3272) 26-79-05 (KORGAU central fax number)

Teletype: 176138 ZENIT

GENERAL OVERVIEW: The enterprise is affiliated with National Joint Stock Company KORGAU. Produced anti-ship missile systems and their mobile launchers, as well as anti-mine trawl equipment.

PRIMARY BUSINESS: Zenit used to produce missile complexes for coastal defense. It discontinued production of these systems completely in 1993 and moth-balled the equipment used to produce it. Zenit also produced food processing equipment.

FORMER USSR MINISTRY SUBORDINATION: N/A

CURRENT MINISTRY SUBORDINATION: Ministry of Industry and Trade

APPROXIMATE EMPLOYMENT: 3,200 as of July, 1994

PRINCIPAL OFFICERS:

President: Vyacheslav Khamzievich Valiev

Vice President: Aydar Khabibullin

Chief Engineer: Viktor Grachev

OWNERSHIP: 90 percent owned by KORGAU; 10 percent owned by private investors.

YEAR ESTABLISHED: 1942

MILITARY PRODUCT LINES: Coastal missile complexes. Missiles were launched from heavy vehicle chassis and had a 40 kilometer range. The complexes have not been produced since 1993 as "Kazakhstan has no use for them." According to enterprise officials, military production is only 10 percent of the facility's total output.

CIVIL PRODUCT LINES: Meat processing; wheat processing (very high domestic demand); other grain processing (everything from milling to baking). An estimated 90 percent of the plant's production is for commercial goods.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: Automated food processing equipment. Much of the technology for military production is not being utilized at this time. Equipped with computer programmable lathes for processing alloyed stainless steel.

CONVERSION PROJECTS: Hard-alloy instruments (approximate project cost: \$5,200,000). Production of milling systems designed by plant engineers.

HUMAN RESOURCES SUPPORT: Housing; daycare; health care; schools.

OTHER RELEVANT INFORMATION: Zenit is considering production of meat canning equipment mini-plants. The meat canning plant is designed for packaging meat in glass cans (jars) of various sizes. The plant would include a can washing machine, meat grinder, cutter, and autoclave. Zenit anticipates basic customers to be agricultural complexes, and villages throughout Kazakhstan and the Newly Independent States. Plant productivity is estimated to be 1,000 cans per 8 hour shift. Zenit has indicated that production equipment manufacturing would begin in 1995, with approximately 300 canning plants required per year in Kazakhstan. Total NIS requirements have not yet been identified. Zenit has stated that it would require approximately 396,000 tenges and \$30,000 for production equipment, which would be financed by currency and credit.

ENTERPRISE NAME: Petropavlovsk Plant of Heavy Machine-Building Joint Stock Company

ALTERNATE NAMES: Production Amalgamation "Petropavlovsk Plant of Heavy Machine Building"; Tyazhmash; "Petropavlovskiy Zavod Tyazhyelogo Mashinostroyeniya"; PZTM

ADDRESS:

Republic of Kazakhstan
642023, Petropavl (Petropavlovsk)
Prospekt Ya. Gasheka, 1

Telephone: (011-7-3152) 36-43-33, 7-18-65, 7-12-65

Fax: (011-7-3152) 36-01-41

Fax: (011-7-3272) 26-79-05 (KORGAU central fax number)

Telegraph: ZVEZDA

GENERAL OVERVIEW: The enterprise is affiliated with the National Joint Stock Company KORGAU. It is a fully integrated design and manufacturing facility. This is the biggest enterprise in the KORGAU group.

PRIMARY BUSINESS: Production of rocket/missile systems; heavy-lifting cranes; hydraulic systems for construction equipment; agricultural equipment, including motorized equipment for distributing seed, and fertilizers.

FORMER USSR MINISTRY SUBORDINATION: Ministry of Defense Industry

CURRENT MINISTRY SUBORDINATION: Ministry of Industry and Trade

APPROXIMATE EMPLOYMENT: 3,000-4,000. At one point, employment exceeded 10,000 workers.

PRINCIPAL OFFICERS:

President: Vladimir Yefremov

Vice President: Yuriy Belousov

Chief Engineer: Abdel' Suyunbaev

OWNERSHIP: 90 percent owned by KORGAU; 10 percent owned by private investors.

YEAR ESTABLISHED: 1968-1970

MILITARY PRODUCT LINES: Petropavlovsk produced missile launcher systems and short range ballistic missiles (SRBMs). It produced almost all the components, including guidance systems. Military used to comprise 90 percent of all plant production. Now, most of the military related equipment is moth-balled.

CIVIL PRODUCT LINES: Machine building products; consumer goods; cranes; agricultural equipment; food processing equipment; bicycles; household goods; mobile oil and gas equipment (oil rigs and submersible oil pumps)--which formerly were purchased from Azerbaijan.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: All equipment and technologies required for missile systems, including computer programmable lathes, lathes for working on especially complicated details, special equipment for welding and thermal treatment in the medium of inertial gases. This is a self-sufficient plant. Its capabilities include production of everything from engines to navigation and control equipment.

CONVERSION PROJECTS: Mobile equipment (work over rigs) for oil well repairs (approximate project cost: \$500,000); gas cookers, electronic and consumer goods (approximate cost \$6,600,000).

Conversion began at the time of the break-up of the Soviet Union.

HUMAN RESOURCES SUPPORT: Housing; daycare; health care; kindergartens.

OTHER RELEVANT INFORMATION: The enterprise is interested in the production

and sale of lifting units for oil and gas well repairs. The UPA 50 lifting unit is assembled on the chassis of a Russian KRAZ-250 6x6 wheel truck. Maximum load is 50 tons and its height is 17.5 meters. JSC Petropavlovsk Machine Building Plant estimates that Kazakhstan and other Central Asian states have a requirement for approximately 100 units per year, not including possible additional sales in Siberia, and it currently has a set of engineering specifications and is manufacturing pilot units. According to JSC Petropavlovsk Heavy Machine Building Plant, approximately 4,197,000 tenges and \$500,000 would be required to establish production capability.

This enterprise falls under the Intermediate Nuclear Forces (INF) Treaty. As such, it has hosted teams of U.S. inspectors for verification and inspection purposes, as provided for under the INF.

Note: Viktor Kotel'nikov, Deputy Minister of Industry and Trade, formerly worked at this enterprise.

**ENTERPRISE NAME: Almaty National Centre for
Radioelectronics and Communication and
("Kazinformtelecom" Joint Stock Company)**

ALTERNATE NAMES: "KIT" Joint Stock Company (for Kazinformtelecom)

ADDRESS:

Republic of Kazakhstan
480 021, Almaty
Ulitsa Kunaeva, 162
"Kazinformtelecom" Joint Stock Company

Telephone: (011-7-3272) 63-28-18, 63-94-73 (Kazinformtelecom)

Fax: (011-7-3272) 50-74-60, (National Academy of Sciences) 61-33-40

GENERAL OVERVIEW: The National Center for Radioelectronics and Communication (NCRC) is the Kazakhstani state entity responsible for maintaining the Saryshaghan testing site. Kazinformtelecom is the main executive contractor to convert part of the three-dimensional complex located near Lake Balkhash to civilian use. NCRC is unable to maintain the complex and therefore is considering two options: 1) renting the site to Russia; and 2) creating at the site a private company that would develop and operate a dedicated commercial telecommunications network.

Based on the Saryshaghan missile testing site, the NCRC is responsible for the implementation of the state program for the creation of modern systems of communications in the Republic. The NCRC is seeking to create a global communications framework in the country, purchasing foreign communications equipment and technology and, in the future creating its own. Kazakhstan is interested in foreign investments to manufacture civilian radioelectronics and communications equipment at its former defense enterprises.

PRIMARY BUSINESS: Radioelectronics

CURRENT MINISTRY SUBORDINATION: Ministry of Science and New Technologies

FORMER USSR MINISTRY SUBORDINATION: N/A

APPROXIMATE EMPLOYMENT: Kazinformtelecom had 38 employees as of July 1994.

PRINCIPAL OFFICERS:

President: Serik Burkitbaev

Vice President: Askar Beshigaev

Head of Department: Viktor Matveev

OWNERSHIP: Majority shareholders of Kazinformtelecom include: Joint Stock Company (JSC) "Balkhashzoloto" (State Share-Holding Gold Mining Company), JSC "New Technologies," "Tolkyn" company, and private persons.

YEAR ESTABLISHED: 1994 (February)

MILITARY PRODUCT LINES: "Kazinformtelecom" uses tracking, measuring and control satellites in the three-dimensional complex, part of the Saryshaghan testing site. It uses microwave stations to monitor military and civilian satellites, ICBMs, early missile detection and tracking systems. Saryshaghan was the lead Soviet facility for testing surface to air and anti-ballistic missiles.

CIVIL PRODUCT LINES: Communications systems (see entry under conversion projects).

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: NCRC includes the facilities of the Saryshaghan test site and former defense radio engineering enterprises on Kazakhstan's territory.

Available at the three-dimensional Complex: Antennas 25 and 18 meters in diameter for control and base stations, the tracking systems, and support engineering infrastructure. In addition, small antennas 1-5 meters in diameter (200-300 sets exist at the testing grounds) are available to serve small satellite communications subscriber stations.

CONVERSION PROJECTS: JSC "Kazinformtelecom" is helping the NCRC set up a satellite communications network based on the Saryshaghan facilities. The leasing of a European or Russian satellite channel is also being negotiated.

Another project is the creation of dedicated high-quality business communication network for digital data transfer, fax and voice data transfer through its own satellite and wireless channels all over Kazakhstan, and provision of access to the international information system. (Estimated project cost: 1st stage - \$15-25 million; 2nd stage - \$100-200 million.)

Other projects include creating telecommunication satellite systems for data, voice and fax transmission and a locally-based computer network, including software, for the Ministry of Science and New Technologies, the Ministry of Geology, and the "Balkhashzoloto" State Holding Company.

HUMAN RESOURCES SUPPORT: Two kindergartens; one school; 200 empty apartments; one hotel; daycare; health care.

OTHER RELEVANT INFORMATION: The site has had contact with firms from the United States, South Korea, Canada, and Israel. NCRC receives funding from the Ministry of Science and New Technologies. The center is located in the town of Priozyersk outside of Saryshaghan and has a branch office in Almaty.

JSC "Kazinformtelecom" has executed preliminary agreements with two European firms and an American firm relative to its conversion project.

ENTERPRISE NAME: Almaty National Biotechnological Centre of the Republic of Kazakhstan

ALTERNATE NAME: Bio Center. Key Facilities: Progress Joint Stock Company (formerly Plant "Progress"); Kazakhstan Scientific Production Complex "Biomedpreparat".

ADDRESS:

Republic of Kazakhstan

480072, Almaty

Ulitsa Abay, 38

National Biotechnology Centre (Bio Center) of the Republic of Kazakhstan

Telephone: (011-7-3272) 67-33-77

Fax: (011-7-3272) 42-15-30

Republic of Kazakhstan

474456, Stepnogorsk, (Aqmola Oblast)

Biomedpreparat and Progress Joint Stock Company

GENERAL OVERVIEW: The Centre consists of 1) the "Progress" Joint Stock Company (JSC) (Stepnogorsk); 2) the "Biomedpreparat" Kazakhstani Scientific Production Complex (Stepnogorsk); 3) Almaty Biocombine; 4) Scientific Research Agricultural Institute (Gvardeysky settlement); and 5) Institute of Biochemistry of Plants (Almaty). Biomedpreparat is the part of the Bio Center which has been targeted for joint ventures under the Nunn-Lugar defense conversion program. Progress and Biomedpreparat are the only organizations in this Centre known to have had a defense affiliation, a capability to develop and produce biological warfare agents. The goals of the Centre are to provide biotechnological breakthroughs in the Republic of Kazakhstan in the fields of medicine, agriculture, and food production. It is comprised of about 3,000 square meters of space.

The Centre works on the development of vaccines against especially dangerous human and animal diseases; new species of plants and animals; and animal and plant reproduction preparations at its plants.

PRIMARY BUSINESS: Medical and biological products; microbiology.

CURRENT MINISTRY SUBORDINATION: N/A

FORMER USSR MINISTRY SUBORDINATION: Ministry of Health

(Biomedpreparat, Progress)

Ministry of Agriculture (Agricultural Institute)

Academy of Sciences of the Kazakh SSR (Institute of Molecular Biology and Biochemistry)

APPROXIMATE EMPLOYMENT: 4,000; 450 (as of June 1994) within "Biomedpreparat"; 3,000 within Progress JSC (as of 1993)

PRINCIPAL OFFICERS:

General Director for National Biotechnology Centre: Murat Kurmashevich Gilmanov

General Director for Biomedpreparat: Gennadiy Nikolayevich Lepeshkin

Deputy Director for Science, Biomedpreparat: Aleksandr Petrovich Mikhaylichenko

OWNERSHIP: Biomedpreparat is 50 percent owned by State, 40 percent owned by Astyk (a state-owned agricultural holding company), and 10 percent owned by employees.

YEAR ESTABLISHED: 1993 (Biotechnology Center); 1982 (Biomedpreparat); 1971 (Progress)

MILITARY PRODUCT LINES: Past military work has included biological warfare research, in areas including thin toxins, viruses, and bacteria. Both Biomedpreparat and Progress have had the capability to develop and produce biological warfare agents. However, the Centre is no longer engaged in military work.

CIVIL PRODUCT LINES: Progress produces pesticides, veterinary antibiotics including bacitracin and tylosin; lysine, vitamin B2 for animal feed; gomelin wettable powder; dendrobacillin wettable powder; concentrated lepidocide; and mixed grain feeds.

Disposable syringes; various types of medicine (such as insulin); material for growing cultures in petri dishes.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: Biomedpreparat has equipment for manufacturing nutrient mediums, and processing, fermenting, drying, refrigerating, and experimental equipment.

CONVERSION PROJECTS: Since 1991 Biomedpreparat has been producing medicines (including plague vaccine), chemicals, and consumer goods. It has begun production of a substance derived from salmon milt for the preparation of anti-aids medicaments. The complex produces genetic engineering preparations.

Working on introducing production of insulin and antibiotics. Projects include the reconstruction of Biomedpreparat's engineering buildings for the purpose of organizing the production of a broad spectrum of antibiotics, enzyme preparations and probiotics, and the development of genetic engineering production (human insulin).

Its pharmaceutical products are for the domestic market, as well as for export to other NIS republics.

HUMAN RESOURCES SUPPORT: N/A

OTHER RELEVANT INFORMATION: Stepnogorsk is also known as Aksu. The Centre seeks foreign investors and technologies and hopes to export biological preparations to the NIS, India, and China.

The Centre is "an independent facility subordinated to the Republic." The enterprise is looking for partners to increase the production of disposable syringes. The enterprise is in the process of further distributing ownership (shares) of the company among workers and private investors.

ENTERPRISE NAME: **Petropavl Zim Joint Stock Company**

ALTERNATE NAMES: Actuator Mechanism Plant, Zavod Iсполnitelnykh Mekhanizmov, Executive Mechanisms Plant

ADDRESS:

642004, Petropavl, Kazakhstan
Ulitsa Kuybysheva 264
ZIM Joint Stock Company

Telephone: (011-7-3152) 36-43-14, 36-36-67, 36-42-15

Telex: N/A

Teletype: 240115 MOLOT

Fax: (011-7-3272) 63-12-07 (KORGAU central fax number)

GENERAL OVERVIEW: The ZIM Joint Stock Company produces components for naval weapons, including those produced by ZITSKO (see separate directory entry). Zim is affiliated with the KORGAU national holding company.

PRIMARY BUSINESS: Naval systems

FORMER USSR MINISTRY SUBORDINATION: N/A

APPROXIMATE EMPLOYMENT: N/A

PRINCIPAL OFFICERS:

Stanislav Sergeyevich Vaskov, Director

OWNERSHIP: Joint stock company

YEAR ESTABLISHED: 1975

MILITARY PRODUCT LINES: Navigational and control systems for mines and torpedoes.

CIVIL PRODUCT LINES: Instrument-making for ships, ship systems and piping devices, automatic and mechanical facilities for dimension checking, cassette tape-recorders, hand drills, mixing machines, answering machines, water pumps.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: N/A

CONVERSION PROJECTS: Dental equipment. ZIM is also seeking partners for the production of electric hand drills.

HUMAN RESOURCES SUPPORT: N/A

OTHER RELEVANT INFORMATION: Petropavl was formerly known as Petropavlovsk.

ENTERPRISE NAME: Oskemen Keramika Joint Stock Company

ALTERNATE NAMES: Keramika Scientific Production Association, NPO Keramika, Keramika Plant, Zavod Keramika

ADDRESS:

492007 Oskemen, Kazakhstan
Ulitsa Bazhova, 10
Keramika Joint Stock Company

Telephone: (011-7-32322) 3-00-03, 3-06-42, 3-26-00

Telex: N/A

Teletype: 139242 DEVIZ

Fax: N/A

GENERAL OVERVIEW: Keramika Plant produces a variety of ceramic materials, some based on silicon and beryllium oxide.

PRIMARY BUSINESS: Ceramics

FORMER USSR MINISTRY SUBORDINATION: N/A

APPROXIMATE EMPLOYMENT: Total: 1000 Date: 1994

PRINCIPAL OFFICERS:

Mikhail Petrovich Khardikov, Director

OWNERSHIP: Joint Stock company

YEAR ESTABLISHED: 1968

MILITARY PRODUCT LINES: Silicon-based products used for thermal protection, including heat shields for reentry vehicles; beryllium oxide ceramics.

CIVIL PRODUCT LINES: High voltage generators for general lighting; gas burner

igniters; ultrasonic cleaners and ultrasonic emitters for medical equipment; sound signalers for telephones; toys, watches, calculators, computers, and consumer radio equipment; mirrors; ceramic art objects.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: N/A

CONVERSION PROJECTS: Keramika is seeking partners for the joint production of electrotechnical ceramics.

HUMAN RESOURCES SUPPORT: N/A

OTHER RELEVANT INFORMATION: Keramika is affiliated with the KORGAU national holding company. Oskemen was formerly known as Ust-Kamenogorsk.

ENTERPRISE NAME: Serebryansk Plant of Inorganic Products

ALTERNATE NAMES: Serebryanskiy zavod neorganicheskikh proizvodstv,
Serebryansky Plant of Non-Organic Production, Serebryansk Petroleum Products Plant

ADDRESS:

493630, Serebryansk (Vostochno-Kazakhstan Oblast), Kazakhstan
Serebryansk Plant of Inorganic Products

Telephone: (011-7-3232) 64-08-32

Telex: N/A

Teletype: 139299 KEDR

Fax: (011-7-3232) 64-08-32

E-Mail: N/A

GENERAL OVERVIEW: The Serebryansk Plant of Inorganic Products specializes in the manufacture of individual and collective protective air filtering equipment, such as gas masks for tank crews, respirators for miners, and dust-proof filters. It also produces mobile chemical ecological laboratories, disposable medical instruments, and consumer goods.

PRIMARY BUSINESS: Air filtering masks and equipment.

FORMER USSR MINISTRY SUBORDINATION: Ministry of the Chemical Industry

APPROXIMATE EMPLOYMENT: Total: 2,000 Date: 1993

PRINCIPAL OFFICERS:

Yuriy Petrovich Shvaychenko, President

OWNERSHIP: Joint stock company

YEAR ESTABLISHED: 1981

MILITARY PRODUCT LINES: Gas masks for armored vehicle crews.

CIVIL PRODUCT LINES: Anti-dust and anti-aerosol respirators for miners and workers; filter-ventilating equipment; protective air filters; protective air chambers for small children; mobile chemical ecological laboratories; and consumer goods such as washing machines, decorative tiles, and polyethylene packages for food products.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: N/A

CONVERSION PROJECTS: The plant is participating in the establishment of joint production of expendable medical systems and instruments, including disposable syringes.

HUMAN RESOURCES SUPPORT: N/A

OTHER RELEVANT INFORMATION: The plant is affiliated with the KATEP national holding company.

ENTERPRISE NAME: Kokshetau Tynys Joint Stock Company

ALTERNATE NAMES: Kokshetau Oxygen Breathing Apparatus Plant (Zavod kislorodno-dykhatelnoy apparatury), KDA

ADDRESS:

475012, Kokshetau, Kazakhstan
Ulitsa Mira, 13
Tynys Joint Stock Company

Telephone: (011-7-31622) 4-52-43, 4-52-41, 4-47-19, 4-13-31 Telex: N/A

Teletype: 185140 PRIBOR

Fax: N/A

E-mail: N/A

GENERAL OVERVIEW: The Tynys Joint Stock Company produces a wide range of airborne life-support and related systems that are developed by the Nauka-Vostok Joint Stock Company, also located in Kokshetau. These include: oxygen-breathing equipment, air purification units, aircraft heating systems, and fire-extinguishing systems. In addition, the plant produces medical equipment and chemicals.

PRIMARY BUSINESS: Aircraft oxygen systems

FORMER USSR MINISTRY SUBORDINATION: Ministry of the Aviation Industry

APPROXIMATE EMPLOYMENT: Total: 1500 Date: 1994

PRINCIPAL OFFICERS:

Vladimir Mikhaylovich Mishanin, General Director
N.M. Malashenko, Chief Designer

OWNERSHIP: Joint stock company

YEAR ESTABLISHED: 1960

MILITARY PRODUCT LINES: Air purification systems for aircraft and spacecraft.

CIVIL PRODUCT LINES: Oxygen-breathing systems, air purification systems, heating systems, fire-extinguishing systems and other types of life-support systems for aircraft. Other production includes medical equipment and chemicals such as cupric-oxide, cadmium sulphate, chromium, lead-oxide, and cadmium-oxide.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: N/A

CONVERSION PROJECTS: Tynys wants to establish a joint venture with a foreign partner for the production of surgical instruments.

HUMAN RESOURCES SUPPORT: N/A

OTHER RELEVANT INFORMATION: Tynys is affiliated with the KORGAU national holding company. In 1993, the plant produced 80 mini-tractors in a joint venture with China. Kokshetau was formerly known as Kokshetav.

ENTERPRISE NAME: Oral Metallist Joint Stock Company

ALTERNATE NAMES: Zavod "Metallist"

ADDRESS:

417024, Oral, Kazakhstan
Ulitsa Urdinskaya, 1
Metallist Joint Stock Company

Telephone: (011-7-31122) 4-23-30
Teletype: 176158 LOTOS
Fax: (011-7-31122) 4-23-30, 4-21-84
E-Mail: N/A

GENERAL OVERVIEW: Metallist is a medium-sized defense plant that specializes in the production of machine guns for tanks. As part of its conversion program, the plant is preparing for the production of sewing machines and is seeking foreign investment for the production of hunting rifles for civil use and export.

PRIMARY BUSINESS: Branch: Small arms

FORMER USSR MINISTRY SUBORDINATION: Ministry of the Defense Industry

APPROXIMATE EMPLOYMENT: Total: 2500 Date: 1994

PRINCIPAL OFFICERS:

Aleksey Petrovich Malakeyev, Director
V.P.Lamzin, Deputy Director for Production

OWNERSHIP: Joint stock company

YEAR ESTABLISHED: N/A

MILITARY PRODUCT LINES: Machine guns.

CIVIL PRODUCT LINES: Planned production of hunting rifles and sewing machines.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: N/A

CONVERSION PROJECTS: Metallist is manufacturing the MS-22 amateur hunting rifle on a pilot scale in preparation for full-scale production of more than 100,000 units a year in 1995. The plant is also preparing to produce sewing machines using technology from the former Yugoslavia.

HUMAN RESOURCES SUPPORT: N/A

OTHER RELEVANT INFORMATION: Metallist is affiliated with the KORGAU national holding company. Oral was formerly known as Uralsk.

ENTERPRISE NAME: Kokshetau Nauka-Vostok Joint Stock Company

ALTERNATE NAMES: Teplotekhnika Design Bureau

ADDRESS:

475020, Kokshetau, Kazakhstan
Ulitsa Sakko i Vantsetti, 247
Nauka-Vostok Joint Stock Company

Telephone: (011-7-31622) 4-12-22, 4-07-48

Telex: N/A

Teletype: 185234 VYS

Fax: N/A

E-Mail: N/A

GENERAL OVERVIEW: Nauka-Vostok designs, develops, and experimentally produces air-conditioning and life-support systems for aircraft and spacecraft. In addition it has developed air-filtration systems for armored vehicles. Series production of systems developed by Nauka-Vostok is carried out by the Tynys Joint Stock Company.

PRIMARY BUSINESS: Aircraft oxygen systems

FORMER USSR MINISTRY SUBORDINATION: Ministry of the Aviation Industry

APPROXIMATE EMPLOYMENT: N/A

PRINCIPAL OFFICERS:

Leonid Borisovich Mazin

OWNERSHIP: Joint stock company

YEAR ESTABLISHED: 1969

MILITARY PRODUCT LINES: Air-filtration systems for armored vehicles. Life-support systems for spacecraft and military aircraft.

CIVIL PRODUCT LINES: Air-purification and other life-support systems for civilian aircraft.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: N/A

CONVERSION PROJECTS: Nauka-Vostok is seeking investment to set up production of humidifiers and industrial ventilation systems in 1995.

HUMAN RESOURCES SUPPORT: N/A

OTHER RELEVANT INFORMATION: The Nauka-Vostok Joint Stock Company was formerly known as Teplotekhnika Design Bureau. It is affiliated with the KORG AU national holding company. Before the breakup of the USSR, Nauka-Vostok was part of the Nauka Scientific Production Association in Moscow, with which it still maintains an economic link. Kokshetau was formerly known as Kokshetav.

ENTERPRISE NAME: Rudnyy Kazakhstan Refractories Plant

ALTERNATE NAMES: Kazakhskiy ogneupornyy zavod, Kazakhstan Alumosilicate Refractory Plant, Kazakhskiy zavod alyumosilikatnikh ogneupornykh izdeliy, Kazogneupor

ADDRESS:

459120, Rudnyy Kazakhstan
Kazakhstan Refractories Plant

Telephone: (011-7-31431) 3-58-85, 3-92-56

Telex: N/A

Teletype: 193327 OKSIT

Fax: N/A

E-Mail: N/A

GENERAL OVERVIEW: The Kazakhstan Refractories Plant produces primarily alumosilicon fire retardant goods and other fabricated metal products.

PRIMARY BUSINESS: Refractories

FORMER USSR MINISTRY SUBORDINATION: Ministry of Ferrous Metallurgy

APPROXIMATE EMPLOYMENT: Total: 1600 Date: 1993

PRINCIPAL OFFICERS:

Sergey Yuryevich Gromov, Director

Nikolay Aleksandrovich Dormachev, Chief Engineer

OWNERSHIP: State-controlled

YEAR ESTABLISHED: 1979

MILITARY PRODUCT LINES: Ceramic materials for military products.

CIVIL PRODUCT LINES: Raw ore, aluminosilicon, fireproof products, corundum, fabricated metal products, steel pipes, and cinder blocks.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: N/A

CONVERSION PROJECTS: N/A

HUMAN RESOURCES SUPPORT: N/A

OTHER RELEVANT INFORMATION: N/A

ENTERPRISE NAME: Taldyqorghan Kazaccumulator Joint Stock Company

ALTERNATE NAMES: Kazakkumulyator, Taldyqorghan Alkaline Battery Plant, Taldyqorghanskiy zavod shchelochnykh akkumulyatorov, Kazaccumulator Production Association

ADDRESS:

488005, Taldyqorghan, Kazakhstan
Ulitsa Industrialnaya
Kazaccumulator Joint Stock Company

Telephone: (011-7-32822) 3-38-82

Telex: N/A

Teletype: 198164 GROM

Fax: (011-7-32822) 5-77-60

E-Mail: N/A

GENERAL OVERVIEW: Kazaccumulator is a major battery manufacturing facility that produces batteries for both civil and defense applications. The facility was designed for military production and produced batteries for portable radio systems, night vision devices, and laser aiming devices. Under conversion, the plant will produce batteries for cars and watches. Reportedly, it has a unique production line for nickel-cadmium batteries.

PRIMARY BUSINESS: Batteries

FORMER USSR MINISTRY SUBORDINATION: Ministry of the Electrical Equipment Industry

APPROXIMATE EMPLOYMENT: Total: 1800 Date: 1993

PRINCIPAL OFFICERS:

Aleksandr Yefimovich Kovalev, Director

OWNERSHIP: Joint stock company

YEAR ESTABLISHED: 1981

MILITARY PRODUCT LINES: Nickel-cadmium batteries for navigation systems and laser aiming devices. Batteries for portable radio systems, and night vision devices.

CIVIL PRODUCT LINES: Alkaline accumulators, nickel-cadmium batteries, batteries for watches, miners' electric lights, flashlights with chargers, and such materials as nickel tape, cadmium-oxide, polyamides, and polyethylene.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: Multipurpose metal processing equipment; plastic heat softening equipment; pressing, stamping, turning, drilling, thread-cutting, and galvanizing equipment; conveyors; electric furnaces.

CONVERSION PROJECTS: N/A

HUMAN RESOURCES SUPPORT: N/A

OTHER RELEVANT INFORMATION: The Kazaccumulator JSC includes both the Taldyqorghana Alkaline Battery Plant and a co-located lead-acid battery plant. Taldyqorghana was formerly known as Taldy-Kurgan.

ENTERPRISE NAME: Semey Kazakhkabel Plant

ALTERNATE NAMES: Zavod "Kazakhkabel", Kazakhstankabel Production Association, Semipalatinsk Kazakhkabel Cable Works Imeni 60th Anniversary of the USSR

ADDRESS:

490011 Semey, Kazakhstan
Ulitsa Krasnoflotskaya, 93
Kazakhkabel Plant

Telephone: (011-8-3222) 45-04-35, 45-05-79, 45-34-12

Telex: 251371 VIZA

Teletype: 238224 PLAMYA

Fax: (011-8-3222) 45-84-15

GENERAL OVERVIEW: The Kazakhkabel Plant is a major producer of cable and wire for various applications.

PRIMARY BUSINESS: Wire and cable production

FORMER USSR MINISTRY SUBORDINATION: Ministry of Electrical Equipment Industry

APPROXIMATE EMPLOYMENT: Total: 1,500 Date: 1993

PRINCIPAL OFFICERS:

Serzhan Zhakiyanovich Chayzhunusov, General Director

OWNERSHIP: Joint stock company

YEAR ESTABLISHED: 1974

MILITARY PRODUCT LINES: Wire and cable for aviation use.

CIVIL PRODUCT LINES: Assembly wires, metal screens, radios frequency cables, fluoroplastic insulated cables, tool and machinery attachments.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: N/A

CONVERSION PROJECTS: N/A

HUMAN RESOURCES SUPPORT: N/A

OTHER RELEVANT INFORMATION: Semey was formerly known as Semipalatinsk.

ENTERPRISE NAME: Semey Semipalatinsk Machine-Building Plant

ALTERNATE NAMES: Semipalatinskiy mashinostroitelnyy zavod

ADDRESS:

490013, Semey, Kazakhstan

Ulitsa Glinki, 73 (3,6-U)

Semipalatinsk Machine-Building Plant

Telephone: (011-7-3222) 45-05-92

Telex: N/A

Teletype: 238221 MAYAK

Fax: (011-7-3272) 63-12-07 (KORGAU)

E-Mail: N/A

GENERAL OVERVIEW:

The Semipalatinsk Machine-Building Plant is a post World War-II facility that has built heavy-duty tracked prime movers for the military. The plant currently is producing machinery and equipment for the agro-industrial complex and for trade and public dining enterprises.

PRIMARY BUSINESS: Branch: Tracked prime movers

FORMER USSR MINISTRY SUBORDINATION: Ministry of the Defense Industry

APPROXIMATE EMPLOYMENT: Total: 3000 Date: 1993

PRINCIPAL OFFICERS: Viktor Pavlovich Orlov, Director

OWNERSHIP: State-controlled

YEAR ESTABLISHED: 1946

MILITARY PRODUCT LINES: Tracked prime movers.

CIVIL PRODUCT LINES: Agricultural mini-tractors, metal containers, tanks, cooking installations, heaters for the Moskvich passenger car, woodworking machine tools, centrifuges, construction materials, and furniture accessories.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: N/A

CONVERSION PROJECTS: Wheeled and amphibious tractors.

HUMAN RESOURCES SUPPORT: N/A

OTHER RELEVANT INFORMATION: The Semipalatinsk Machine-Building Plant was established under its current name in 1989. The plant is affiliated with the KORG AU national holding Company. Semey was formerly known as Semipalatinsk.

**ENTERPRISE NAME: Vostochno-Kazakhstanskaya Irtysk
Chemical-Metallurgical Plant**

ALTERNATE NAMES: Irtyskiy Khimiko-Metallurgicheskiy Zavod, Chemical and Metallurgical Works named after the 40th Anniversary of Kazakhstan

ADDRESS:

493180 Vostochno-Kazakhstanskaya oblast, Kazakhstan
Shemonaikhinskiy rayon, Pervomayskiy posyelok
Irtysk Chemical-Metallurgical Plant

Telephone: (011-8-3232) 66-04-24, 66-06-55, 66-06-56

Telex: N/A

Teletype: 139822 TSERIY

Fax: N/A

GENERAL OVERVIEW: The Irtysk Chemical-Metallurgical Plant is the largest producer of rare-earth metals in the former Soviet Union.

PRIMARY BUSINESS: Metallurgy

FORMER USSR MINISTRY SUBORDINATION: N/A

APPROXIMATE EMPLOYMENT: Total: 2,600 Date: 1993

PRINCIPAL OFFICERS:

Viktor Vasilyevich Yevteyev, Director

Valery Nikolayvich Kazantsev, Assistant Director

OWNERSHIP: N/A

YEAR ESTABLISHED: 1955

MILITARY PRODUCT LINES: Processing of rare-earth metals.

CIVIL PRODUCT LINES: Flints for cigarette-lighters.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: N/A

CONVERSION PROJECTS: N/A

HUMAN RESOURCES SUPPORT: N/A

OTHER RELEVANT INFORMATION: The plant is a part of the KATEP national holding company.

ENTERPRISE NAME: Petropavl Kirov Plant Joint Stock Company

ALTERNATE NAMES: Zik Joint Stock Company, AO ZiK, Petropavlovskiy zavod imeni S. M. Kirova

ADDRESS:

642026, Petropavl, Kazakhstan
Ulitsa Partizanskaya, 48
Petropavl Kirov Plant Joint Stock Company

Telephone: (011-7-3152) 36-40-47

Telex: N/A

Teletype: 248114 KLYUCH

Fax: (011-7-3152) 34-44-58, 36-54-07

GENERAL OVERVIEW: The Kirov plant produces communications equipment for domestic and military--primarily naval--applications. Among its civil products are home electronic and electrical equipment.

PRIMARY BUSINESS: Communications equipment

FORMER USSR MINISTRY SUBORDINATION: Ministry of the Communications Equipment Industry

APPROXIMATE EMPLOYMENT: Total: 2,000 Date: 1994

PRINCIPAL OFFICERS:

Boris Mikhaylovich Vasserbaum, General Director

OWNERSHIP: Joint stock company

YEAR ESTABLISHED: N/A

MILITARY PRODUCT LINES: Communications equipment in the VLF, LF, MF, and HF ranges, primarily for naval applications.

CIVIL PRODUCT LINES: Communication radio receivers, tape recorders and combination radio-tape players for home and automobile, electric power meters, electric motors for domestic appliances, and waffle irons.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: Production of printed circuit boards and plastics.

CONVERSION PROJECTS: The plant has proposed joint production of various types of meters--gas, electric power, and heat.

HUMAN RESOURCES SUPPORT: The plant's social infrastructure has been transferred to the state.

OTHER RELEVANT INFORMATION: The plant is said to be completely converted and plans to create up to ten private enterprises on the basis of the main plant. The city of Petropavl was formerly known as Petropavlovsk.

ENTERPRISE NAME: Almaty Etalon Joint Stock Company

ALTERNATE NAMES: AO Etalon, JSC Almaty Etalon Plant, Almatinskiy zavod "Etalon"

ADDRESS:

480002, Almaty, Kazakhstan
Ulitsa K. Marksa, 32
Etalon Joint Stock Company

Telephone: (011-7-3272) 33-63-65

Telex: N/A

Teletype: 251721 PRIZMA

Fax: (011-7-3272) 33-16-01

E-Mail: N/A

GENERAL OVERVIEW: The Etalon Joint-Stock Company produces models of thermophysical instruments, radiometric instruments, electronic sub-assemblies for aircraft, dental equipment, and consumer goods.

PRIMARY BUSINESS: Electronic instruments

FORMER USSR MINISTRY SUBORDINATION: N/A

APPROXIMATE EMPLOYMENT: Total: 300 Date: 1993

PRINCIPAL OFFICERS:

Emil Amagambetovich Dzhaylaubekov, President

OWNERSHIP: Joint stock company

YEAR ESTABLISHED: 1946

MILITARY PRODUCT LINES: Sub-assemblies for aircraft navigational systems.

CIVIL PRODUCT LINES: Electronic cabin pressure and temperature controls for aircraft, air regulators for hospitals, micro-calorimeters for measuring the temperature of milk and milk products, radiometers for measuring alpha-beta emissions, universal instruments for measuring photon emissions and beta flow, cold water flowmeters, dental equipment, tape measures, bird cages, dish-drying racks, and other consumer goods.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: N/A

CONVERSION PROJECTS: Etalon has proposed establishing a joint venture for production of measuring tapes and rulers.

HUMAN RESOURCES SUPPORT: N/A

OTHER RELEVANT INFORMATION: Etalon is affiliated with the KORGAU national holding company. The city of Almaty was formerly known as Alma-Ata.

ENTERPRISE NAME: Qaratau Okatyshi Chemical Plant

ALTERNATE NAMES: Qaratau Chemical Plant, Sarytas Joint Stock Company,
Karatau Chemical Plant

ADDRESS:

485210, Qaratau, Dzhambul'skaya Oblast, Kazakhstan
Ulitsa Shkol'naya, 3
Okatyshi Chemical Plant

Telephone: 6-29-20, 6-44-97

Dzhambul Information Operator: (011-7-32622) 30707

(It will be necessary to go through the operator since no city code is available for
Qaratau)

Telex: N/A

Teletype: 283253 POTOK

Fax: N/A

E-Mail: N/A

GENERAL OVERVIEW: The Okatyshi Chemical Plant produces phosphorous
compounds for fertilizers and the armaments industry.

PRIMARY BUSINESS: Chemicals

FORMER MINISTRY SUBORDINATION: N/A

APPROXIMATE EMPLOYMENT: Total: 130 Date: 1994

PRINCIPAL OFFICERS:

Nurlan Otarbekovich Valiyev, President

OWNERSHIP: Joint Stock company

YEAR ESTABLISHED: N/A

MILITARY PRODUCT LINES: Phosphorus for the armaments industry.

CIVIL PRODUCT LINES: Phosphate pellets, phosphorus fertilizers (natural phosphates).

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: N/A

CONVERSION PROJECTS: N/A

HUMAN RESOURCES SUPPORT: N/A

OTHER RELEVANT INFORMATION: The city of Qaratau was formerly known as Karatau.

ENTERPRISE NAME: Pavlodar Khimprom Production Association

ALTERNATE NAMES: Pavlodarskoye proizvodstvennoye ob'yedineniye "Khimprom", Pavlodar Chemical Plant

ADDRESS:

637029, Pavlodar, Kazakhstan
Pavlodar Khimprom Production Association

Telephone: (011-7-3182) 73-30-79

Telex: 251327 RTUTX SU

Teletype: 210117 USOLKA

Fax: (011-7-3182) 77-24-37

E-Mail: N/A

GENERAL OVERVIEW: The Pavlodar Khimprom Production Association produces caustic soda, petrochemicals and plastics including polyvinylchloride products, as well as synthetic resins, paints and varnishes, chemical fertilizers, and bleach. Part of Khimprom was built as a backup facility to produce chemical warfare agents.

PRIMARY BUSINESS: Chemicals

FORMER USSR MINISTRY SUBORDINATION: Ministry of the Chemical Industry

APPROXIMATE EMPLOYMENT: Total: 3,200 Date: 1994

PRINCIPAL OFFICERS:

Boris Aleksandrovich Sharov, Director

OWNERSHIP: State-owned

YEAR ESTABLISHED: N/A

MILITARY PRODUCT LINES: Part of the Production Association was built as a backup facility to produce chemical warfare agents.

CIVIL PRODUCT LINES: Flexible polyvinylchloride (PVC), caustic soda, synthetic resins, paints and varnishes, and household chemical bleaches.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: N/A

CONVERSION PROJECTS: Production of methyltributyl ether (MBTE) gasoline octane booster; production of caustic soda and chlorine.

HUMAN RESOURCES SUPPORT: N/A

OTHER RELEVANT INFORMATION: The Pavlodar Khimprom Production Association is affiliated with the KHIMPROM national holding company.

ENTERPRISE NAME: Aqtau Mangyshlaksy Energy Combine

ALTERNATE NAMES: Mangyshlaksy Energokombinat (MAEK), Mangistauskiy Energokombinat, Mangishlaksy Energy Center

ADDRESS:

466200 Aqtau, Kazakhstan
Mangyshlaksy Energy Combine

Telephone: (011-7-3792) 22-48-00, 22-78-11

Telex: N/A

Teletype: 317718 ATOM

Fax: (011-7-3792) 23-43-64

GENERAL OVERVIEW: The Mangyshlaksy Energy Combine contains a nuclear reactor that provides energy for the surrounding general public.

PRIMARY BUSINESS: Energy

FORMER USSR MINISTRY SUBORDINATION: N/A

APPROXIMATE EMPLOYMENT: Total: 4100 Date: 1993

PRINCIPAL OFFICERS:

Vyacheslav Leonidovich Levitin, General Director

OWNERSHIP: Joint stock company

YEAR ESTABLISHED: 1968

MILITARY PRODUCT LINES: Uranium

CIVIL PRODUCT LINES: Electrical energy and heat supply.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: An industrial nuclear reactor that operates on BN-350 neutrons.

CONVERSION PROJECTS: N/A

HUMAN RESOURCES SUPPORT: N/A

OTHER RELEVANT INFORMATION: The Mangyshlaksy Energy Combine is affiliated with the KATEP national holding company. The city of Aqtau was formerly known as Shevchenko.

ENTERPRISE NAME: Oral Omega Joint Stock Company

ALTERNATE NAMES: AO Omega, Omega Instrument-Building Plant,
Priborostroitelnyy Zavod Omega, Omega Apparatus Plant

ADDRESS:

417822, Oral, Kazakhstan
Ulitsa Yesenzhanova, 42
Omega Joint Stock Company

Telephone: (011-7-31122) 2-08-60, 2-36-87, 2-06-24, 2-39-64

Telex: N/A

Teletype: 176168 STAL

Fax: (011-7-31122) 2-36-87, 5-61-24

GENERAL OVERVIEW: The Omega Joint Stock Company produces shipboard telephone switching repeaters, medical equipment, electronic domestic appliances, and consumer goods.

PRIMARY BUSINESS: Naval electronics

FORMER USSR MINISTRY SUBORDINATION:

Ministry of the Shipbuilding Industry

APPROXIMATE EMPLOYMENT: Total: 2,900 Date: 1994

PRINCIPAL OFFICERS:

Bulat Pinayatovich Muldashev, President

N. P. Chemodanov, First Vice President

A. N. Martyshkin, Vice President

OWNERSHIP: Joint stock company; 90 percent owned by the KORGAU national holding company and 10 percent by the workers.

YEAR ESTABLISHED: 1973

MILITARY PRODUCT LINES: Communications and navigation equipment for naval vessels, including surface ships and submarines, electronic control systems for ships, ship telephone sets.

CIVIL PRODUCT LINES: Land-based and shipboard telephone switching repeaters, medical equipment including cardiographic equipment, consumer goods, including vacuum cleaners, Christmas tree decorations, and plastic toys.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: Electric and assembling production; electric equipment; tooling production.

CONVERSION PROJECTS: Consumer and industrial electronics, small-sized agricultural moto-cultivators, plans to set up production of electric motors.

HUMAN RESOURCES SUPPORT: Housing, kindergartens, heating and water pipelines.

OTHER RELEVANT INFORMATION: The company is affiliated with the KORG AU national holding company. The city of Oral was formerly known as Uralsk.

ENTERPRISE NAME: Petroval Ziksto Joint Stock Company

ALTERNATE NAMES: Kuybyshev Plant Joint Stock Company, JSC ZIKSTO, Kuybyshev Machine-Building Plant Production Association, PO Mashinostroitelnyy zavod imeni Kuybysheva

ADDRESS:

642004, Petropavl (Severo-Kazakhstanskaya Oblast), Kazakhstan
Ulitsa Zavodskaya, 5
ZIKSTO Joint Stock Company

Telephone: (011-7-3152) 33-32-65, 33-33-53, 33-13-17

Telex: N/A

Teletype: 248123 ZVEZDA

Fax: (011-7-3152) 33-03-63; (011-7-3272) 63-12-07 (KORGAU central fax number)

E-Mail: N/A

GENERAL OVERVIEW: The ZIKSTO Joint Stock Company produces naval weapons, including anti-ship and anti-submarine mines, and civil machinebuilding products of various types for industrial and domestic purposes. Its conversion projects include agricultural machinery and multipurpose trailers.

PRIMARY BUSINESS: Naval mines

FORMER USSR MINISTRY SUBORDINATION: Ministry of the Shipbuilding Industry

APPROXIMATE EMPLOYMENT: Total: 4,000 Date: 1994

PRINCIPAL OFFICERS:

Aleksey Maksimovich Bogdanov, Director

OWNERSHIP: Joint stock company

YEAR ESTABLISHED: N/A

MILITARY PRODUCT LINES: Naval weapons, including anti-ship and anti-submarine mines.

CIVIL PRODUCT LINES: Agricultural machinery and equipment; industrial food processing equipment; trailers for trucks, tractors, and automobiles; materials handling equipment; paint mixers; consumer goods, including microwave ovens, electric heaters, lamps, and toys.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: N/A

CONVERSION PROJECTS: ZIKSTO has proposed production of tractor-towed animal feeding machines to transport, mix, and distribute fodder to animals. It also has proposed production of 10 horsepower agricultural minitractors for use on farms in Kazakhstan and nearby NIS countries. The minitractor has a wide variety of accessory equipment that can be attached and operated by it, including a trailer, mower, rake, cultivator, potato planter, wheat and bean seeder, wheat grinder, fodder grinder, plow, harrow, watering module, snow plow, and road cleaning brush. In addition, ZIKSTO is considering production of a two-axle trailer which may be towed by tractor or truck and is suitable for use in agriculture, construction, and transport industries.

HUMAN RESOURCES SUPPORT: N/A

OTHER RELEVANT INFORMATION: ZIKSTO is affiliated with the KORG AU national holding company. The city of Petropavl was formerly known as Petropavlosk.

ENTERPRISE NAME: Oskemen Ust-Kamenogorsk Titanium-Magnesium Combine

ALTERNATE NAMES:

Ust-Kamenogorskiy titano-magniyevnyy kombinat

ADDRESS:

492028, Oskemen, Kazakhstan

Poselok Novaya Sogra (Vostochno-Kazakhstaskaya Oblast)

Ust-Kamenogorsk Titanium-Magnesium Combine

Telephone: (011-7-32322) 3-66-02, 3-66-05

Telex: N/A

Teletype: 139149 OREL

Fax: N/A

E-Mail: N/A

GENERAL OVERVIEW: The Ust-Kamenogorsk Titanium-Magnesium Combine is one of the largest producers of titanium sponge in the former Soviet Union, and the only such producer in Kazakhstan. It also produces titanium-based paints, fertilizers, and consumer goods.

PRIMARY BUSINESS: Non-ferrous metallurgy (titanium sponge and magnesium)

FORMER USSR MINISTRY SUBORDINATION: Ministry of Metallurgy

APPROXIMATE EMPLOYMENT: Total: 4,300 Date: 1993

PRINCIPAL OFFICERS:

Bagdat Mukhametovich Shayakhmetov, General Director

OWNERSHIP: State-owned

YEAR ESTABLISHED: 1960s

MILITARY PRODUCT LINES: Titanium sponge and magnesium.

CIVIL PRODUCT LINES: Titanium sponge and magnesium for civil use, titanium-based paints, fertilizer, and consumer goods.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: N/A

CONVERSION PROJECTS: N/A

HUMAN RESOURCES SUPPORT: N/A

OTHER RELEVANT INFORMATION: The city of Oskemen was formerly known as Ust-Kamenogorsk.

ENTERPRISE NAME: Rudnyy Argon-3 Chemical Plant

ALTERNATE NAMES: Rudnyy Chemical Fiber Plant

ADDRESS:

459120, Rudnyy, Kazakhstan
Argon-3 Chemical Plant

Telephone: (011-7-31431) 3-95-16

Telex: N/A

Teletype: N/A

Fax: (011-7-31431) 3-95-16

E-Mail: N/A

GENERAL OVERVIEW: The Argon-3 Chemical Plant is a relatively new facility that was built to produce super high-temperature plastics for the defense industry, using chemical fibers provided by a chemical plant in Kustanay. Currently, the plant produces plastics for civil uses.

PRIMARY BUSINESS: Plastics

FORMER USSR MINISTRY SUBORDINATION: Ministry of the Chemical Industry

APPROXIMATE EMPLOYMENT: Total: 1500 Date: 1992

PRINCIPAL OFFICERS:

Omar Orazalinovich Kazybaev, Director

OWNERSHIP: State-controlled

YEAR ESTABLISHED: 1985

MILITARY PRODUCT LINES: Super high-temperature and acid- resistant plastics.

CIVIL PRODUCT LINES: Chemical fibers, plastics.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: N/A

CONVERSION PROJECTS: N/A

HUMAN RESOURCES SUPPORT: N/A

OTHER RELEVANT INFORMATION: The Argon-3 Chemical Plant is affiliated with the Khimprom (Chemical industry) national holding company.

ENTERPRISE NAME: Aktyubinsk Aktyubrentgen Joint Stock Company

ALTERNATE NAMES: Aktyubrentgen Production Association, Proizvodstvennoye obyedineniye "Aktyubrentgen", PO Aktyubrentgen

ADDRESS:

463022, Aktyubinsk, Kazakhstan
Ulitsa 50 let Oktyabrya, 48
Aktyubrentgen Joint Stock Company

Telephone: (011-7-31322) 2-17-32, 2-17-30, 2-12-52, 2-17-28, 2-01-44

Telex: N/A

Teletype: 130135 LUCH, 130179 LUCH

Fax: (011-7-31322) 2-56-14

E-Mail: N/A

GENERAL OVERVIEW: Aktyubrentgen develops and produces medical and industrial X-ray equipment, mobile medical stations, and medical support equipment. It also produces other industrial equipment such as boilers and valves, and consumer goods, including toys.

PRIMARY BUSINESS: X-ray equipment

FORMER MINISTRY SUBORDINATION: N/A

APPROXIMATE EMPLOYMENT: Total: 3,000 Date: 1994

PRINCIPAL OFFICERS:

Igor Porfiryevich Shkurenko, General Director

OWNERSHIP: Joint stock company

YEAR ESTABLISHED: 1941

MILITARY PRODUCT LINES: Industrial X-ray equipment

CIVIL PRODUCT LINES: Medical equipment including photographic X-ray equipment, fluoroscopic X-ray equipment, dental X-ray equipment, rural stomatological equipment (stationary or mobile), rural medical attendant-obstetrician stations, microwave resonant therapy (MRT) equipment, portable piezo-electric massage stimulators, and sterilization cabinets; industrial equipment including heating system boiler modules and pipe valves; household equipment such as smoke-curing equipment for meat, gas meters, water meters, and garage locks; and toys.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: Metal, bench, and welding facilities; major electrical and casting facilities.

CONVERSION PROJECTS: Gas and water meters; heating boilers.

HUMAN RESOURCES SUPPORT: Three apartment buildings, one dormitory, and two kindergartens.

OTHER RELEVANT INFORMATION: Aktyubrentgen is affiliated with the KORG AU national holding company.

ENTERPRISE NAME: Pavlodar Tractor Plant

ALTERNATE NAMES: Concern "Pavlodar Tractor Plant", "Pavlodar-traktor"
Concern, V. I. Lenin Pavlodar Tractor Plant Production Association

ADDRESS:

637027, Pavlodar, Kazakhstan
Ulitsa Kosmonavtov, 1
Pavlodar Tractor Plant

Telephone: (011-7-3182) 72-24-38

Telex: 251246 ROLIK SU

Teletype: 20151 LUCH

Fax: (011-7-3182) 72-10-89

E-Mail: N/A

GENERAL OVERVIEW: The Pavlodar Tractor Plant produces tracked vehicles for agricultural and industrial use, bulldozers, tools, and consumer goods including washing machines.

PRIMARY BUSINESS: Tractors

FORMER MINISTRY SUBORDINATION:

Ministry of Tractor and Agricultural Machine-Building

APPROXIMATE EMPLOYMENT: Total: 20,000 Date: 1994

PRINCIPAL OFFICERS:

Viktor Ivanovich Vlasov

OWNERSHIP: State-owned. The Pavlodar Tractor Plant is on a list of state enterprises that are eligible for privatization.

YEAR ESTABLISHED: 1968

MILITARY PRODUCT LINES: Tractors and tracked armored personnel carriers.

CIVIL PRODUCT LINES: Tractors, bulldozers, and tractor parts; tools; machining attachments; consumer goods.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: N/A

CONVERSION PROJECTS: All-wheel-drive cars.

HUMAN RESOURCES SUPPORT: N/A

OTHER RELEVANT INFORMATION: The Pavlodar Tractor Plant plans to participate in a US/Kazakhstan consortium to assemble cars at its plant.

ENTERPRISE NAME: Stepnogorsk Tselinnyy Mining-Chemical Combine State Holding Company

ALTERNATE NAMES: Gosudarstvennaya kholdingovaya kompaniya "Tselinnyy gorno-khimicheskiy kombinat", SHC TsGKhK, Tselinnyy Mining-Chemical Combine Production Association, Proizvodstvennoye ob'yedineniye "Tselinnyy gorno-khimicheskiy kombinat"

ADDRESS:

474456, Stepnogorsk (Aqmolinskaya Oblast), Kazakhstan
Tselinnyy Mining-Chemical Combine State Holding Company

Telephone: (011-7-31745) 9-10-02, 9-24-64

Telex: N/A

Teletype: 264815 VENERA

Fax: (011-7-31745) 9-14-55

E-Mail: N/A

GENERAL OVERVIEW: The Tselinnyy Mining-Chemical Combine specializes in the production of uranium, rare metals, chemicals, fertilizers, precious metals, and mining equipment. It also produces dairy-processing equipment and consumer goods.

PRIMARY BUSINESS: Uranium mining

FORMER MINISTRY SUBORDINATION: Ministry of Medium Machine-Building

APPROXIMATE EMPLOYMENT: Total: 13,000 Date: 1993

PRINCIPAL OFFICERS:

Leonid Pavlovich Luchina, President

OWNERSHIP: State-owned

YEAR ESTABLISHED: 1956

MILITARY PRODUCT LINES: Uranium

CIVIL PRODUCT LINES: Rare metals, chemicals including sulfuric acid, mineral fertilizers such as ammonium phosphate, mining equipment, precious metals, and consumer goods including plastic products.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: Chemical hydro-metallurgical production; machinebuilding.

CONVERSION PROJECTS: Production of micropowder industrial diamonds and instruments with industrial diamonds; development of tin ores; production of gold bullion (99.99 percent).

HUMAN RESOURCES SUPPORT: N/A

OTHER RELEVANT INFORMATION: The Tselinnyy Mining-Chemical Combine State Holding Company is affiliated with the KATEP national holding company.

ENTERPRISE NAME: Almaty Nayza Joint Stock Company

ALTERNATE NAMES: Aktsionernoye obshchestvo "Nayza", AO Nayza, Low-Voltage Apparatus Plant, Alma Ata Low-Voltage Apparatus Plant

ADDRESS:

480049, Almaty, Kazakhstan
Prospekt Rayymbeka, 206
Nayza Joint Stock Company

Telephone: (011-7-3272) 42-59-27, 43-32-76, 48-09-55

Telex: N/A

Teletype: 251254 ZEVS

Fax: (011-7-3272) 43-67-11

E-Mail: N/A

GENERAL OVERVIEW: The Nayza Joint Stock Company, formerly the Alma Ata Low-Voltage Apparatus Plant, is an old established firm that produces electrotechnical products and equipment, specializing in automatic switches and low-voltage electrical apparatus and installations.

PRIMARY BUSINESS: Electrical Products

FORMER MINISTRY SUBORDINATION: Ministry of the Electrical Equipment

APPROXIMATE EMPLOYMENT: Total: 500 Date: 1995

PRINCIPAL OFFICERS:

Esen Sarmontayevich Kasenov, Director
Aleksandr Nikokoshev, Deputy Director

OWNERSHIP: Joint stock company

YEAR ESTABLISHED: 1939

MILITARY PRODUCT LINES: Electrical products.

CIVIL PRODUCT LINES: Automatic switches, electric power distribution panels, low-voltage apparatus and installations, welded metal structures, plastic articles, toys, consumer goods, and general machinery products.

KEY TECHNOLOGIES AND EQUIPMENT EMPLOYED: Universal metal-cutting machine tools, heat treatment equipment, universal assembly equipment.

CONVERSION PROJECTS: Nayza is seeking Western investment for joint production of automatic switches.

HUMAN RESOURCES SUPPORT: N/A

OTHER RELEVANT INFORMATION: Nayza, which is affiliated with the KORG AU national holding company, became a joint stock company in September, 1994. The city of Almaty was formerly known as Alma Ata.

ENTERPRISE NAME: Oskemen Ulba Metallurgical Plant Joint Stock Company

ALTERNATE NAMES: Aktsionernoye Obshchestvo "Ulbinskiy metallurgicheskiy zavod", Ulbinskiy Metallurgical Plant Production Association

ADDRESS:

492026, Oskemen, Kazakhstan
Shkolnoye shosse, 102
Ulba Metallurgical Plant Joint Stock Company

Telephone: (011-7-3232) 66-12-12, 44-77-07, 44-79-95, 44-77-04, 47-35-50

Telex: 251264 LIDER SU

Teletype: 139169 ASTRA

Fax: (011-7-3232) 64-06-83

GENERAL OVERVIEW: The Ulba Metallurgical Plant Joint Stock Company, one of the largest metallurgical facilities in Kazakhstan, is a uranium fuel fabrication facility and a major producer of beryllium, tantalum, and other non-ferrous and rare earth metals.

PRIMARY BUSINESS: Uranium processing

FORMER MINISTRY SUBORDINATION: Ministry of Medium Machine Building

APPROXIMATE EMPLOYMENT: Total: 7,500 Date: 1994

PRINCIPAL OFFICERS:

Frolov, General Director

OWNERSHIP: Joint stock company. Ten percent of shares are held by employees. The National Joint Stock Company for Atomic Energy and Industry, KATEP, holds a major interest.

YEAR ESTABLISHED: 1949

MILITARY PRODUCT LINES: Uranium fuel for nuclear reactors on submarines and spacecraft.

CIVIL PRODUCT LINES: Uranium fuel pellets for nuclear power stations, uranium dioxide powders, beryllium, beryllium oxide ceramics, catalysts for organic synthesis, superconducting composite materials, small electric motors for household appliances, agricultural equipment, electric juicers, and other consumer goods.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: N/A

CONVERSION PROJECTS: The Ulba Metallurgical Plant Joint Stock Company is inviting outside investment to create facilities for the production of the following: high-purity tin; catalysts for the chemical, oil-refining, and fertilizer industries; ferrite magnets; and steel for machine tools. The company also plans to produce beryllium discs for personal computers, and magnesium oxide.

HUMAN RESOURCES SUPPORT: N/A

OTHER RELEVANT INFORMATION: The plant is affiliated with the KATEP national holding company. The city of Oskemen was formerly known as Ust-Kamenogorsk.

ENTERPRISE NAME: Yuzhno-Kazakhstanskaya Central Mining Administration

ALTERNATE NAMES: Tsentralnoye Rudoupravleniye, TsRU, Tsentralnoye Rudoupravleniye PO "Yuzhpolimetal"

ADDRESS:

487718, Yuzhno-Kazakhstanskaya Oblast, Kazakhstan
Poselok Taukent, Suzakskiy Rayon
Central Mining Administration

Telephone: N/A

Telex: N/A

Teletype: N/A

Fax: N/A

E-Mail: N/A

GENERAL OVERVIEW: The Central Mining Administration extracts natural uranium by the process of underground leaching.

PRIMARY BUSINESS: Uranium mining

FORMER USSR MINISTRY SUBORDINATION:

Ministry of Medium Machine Building

APPROXIMATE EMPLOYMENT: Total: 1,600 Date: 1994

PRINCIPAL OFFICERS:

D. S. Markenbayev, Director

V. M. Zinchenko, Deputy Director for Production

E. N. Velichko, Chief Accountant

OWNERSHIP: State-owned

YEAR ESTABLISHED: 1982

MILITARY PRODUCT LINES: Uranium

CIVIL PRODUCT LINES: N/A

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: Underground leaching, natural sorption, desorption and precipitation of chemical concentrate.

CONVERSION PROJECTS: N/A

HUMAN RESOURCES SUPPORT: Housing department, medical center, sport complex, two schools, two kindergartens, Workers' Consumer Goods Provision Department.

OTHER RELEVANT INFORMATION: Despite its name, the Central Mining Administration is an enterprise rather than a governmental organization.

ENTERPRISE NAME: Petropavl Electrical Insulation Materials Plant

ALTERNATE NAMES: Arendnoye predpriyatiye "Zavod elektroizolyatsionnykh materialov", AP PZEIM

ADDRESS:

642023, Petropavl, Kazakhstan
Ulitsa Yaroslava Gasheka, 24
Petropavl Electrical Insulation Materials Plant

Telephone: (011-7-31522) 7-34-97

Telex: N/A

Teletype: 248158 SIRENA

Fax: (011-7-31522) 7-34-92

E-Mail: N/A

GENERAL OVERVIEW: The Petropavl Electrical Insulation Materials Plant produces a wide variety of electrical insulation materials and some heat insulation materials.

PRIMARY BUSINESS: Electrical insulation materials

FORMER MINISTRY SUBORDINATION: Ministry of the Electrical Equipment Industry

APPROXIMATE EMPLOYMENT: Total: 1,200 Date: 1993

PRINCIPAL OFFICERS:

Viktor Petrovich Prikolotto, Director

OWNERSHIP: Joint stock company

YEAR ESTABLISHED: N/A

MILITARY PRODUCT LINES: Electrical insulation materials for military applications.

CIVIL PRODUCT LINES: Electrical insulation materials, including those based on resined paper, kapron fabric, cotton fabric, silk fabric, glass fabric, fiberglass, mica, and bitumin polymer; glass fabric and fiberglass for heat insulation; polymerized drying oil; plastic materials; wafers for printed circuits; garage jacks.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: N/A

CONVERSION PROJECTS: N/A

HUMAN RESOURCES SUPPORT: N/A

OTHER RELEVANT INFORMATION: The plant is affiliated with the KATEP national holding company. The city of Petropavl was formerly known as Petropavlovsk.

ENTERPRISE NAME: Zyryan Alkor Joint Stock Company

ALTERNATE NAMES: Aktsionernoye obshchestvo "Alkor", AO Alkor, Electronic Devices Plant, Zyryanovsk Electro-Vacuum Plant, Zyryanovsk Branch of the Novosibirsk Electro-Vacuum Plant

ADDRESS:

493730, Zyryan, Kazakhstan
Ulitsa 8 Marta, 1
Alkor Plant

Telephone: (011-7-32357) 3-67-10, 3-29-97

Telex: N/A

Teletype: 139789 ZARYA

Fax: N/A

E-Mail: N/A

GENERAL OVERVIEW: The Alkor Plant, formerly a branch of the Novosibirsk Electro-Vacuum Plant, produces a diversified mix of semiconductors (including metal-oxide, beryllium-oxide, and gallium-arsenide types), vacuum tubes, and other electronic components and products.

PRIMARY BUSINESS: Electronic components

FORMER USSR MINISTRY SUBORDINATION: Ministry of the Electronics Industry

APPROXIMATE EMPLOYMENT: Total: 150 Date: 1995

PRINCIPAL OFFICERS:

Yuriy Alekseyevich Smorokov, Director

OWNERSHIP: Joint stock company

YEAR ESTABLISHED: 1978

MILITARY PRODUCT LINES: Electronic components.

CIVIL PRODUCT LINES: Semiconductor diodes and transistors (including field-effect transistors); integrated circuits (ICs) including large-scale (LS), memory circuits, operational amplifiers, ICs in metal-glass and metal-ceramic packages, and hybrid ICs. Alkor produces a variety of vacuum tubes including rectifier tubes (kenotrons), and transmitting and receiving tubes. Other products include liquid-crystal indicators, photo-sensitive devices, communications installations, instruments and machinery for agricultural uses, peripheral equipment, battery chargers, plastic articles, quartz and electronic watches, and electric bells.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: Universal metal-cutting machine tools, specialized production equipment for micro circuits, universal assembly equipment.

CONVERSION PROJECTS: Electronic control and measuring devices.

HUMAN RESOURCES SUPPORT: N/A

OTHER RELEVANT INFORMATION: Alkor, which is affiliated with the KORGAU national holding company, was organized into a joint stock company in January 1994. The city of Zyryan was formerly known as Zyryanovsk.

ENTERPRISE NAME: Aqsu Progress Joint Stock Company

ALTERNATE NAMES: Progress Chemical Plant, Progress Plant, Progress Production Association

ADDRESS:

474457, Aqsu, Kazakhstan
Poselok Zavodskoy
Progress Joint Stock Company

Telephone: (011-7-31745) 2-26-64 (Director), 2-22-28, 2-27-62, 2-34-49, 2-38-83

Telex: N/A

Teletype: 264811 GROM

Fax: (011-7-31745) 5-23-98, 5-94-20

E-Mail: N/A

GENERAL OVERVIEW: The Progress Joint Stock Company is part of the National Center for Biotechnology which was established in 1993 to carry out national programs for biotechnology and genetic engineering in medicine and agriculture. Currently Progress produces pharmaceuticals and chemical-biological products for agriculture.

PRIMARY BUSINESS: Microbiology

FORMER USSR MINISTRY SUBORDINATION: Ministry of Health

APPROXIMATE EMPLOYMENT: Total: 2900 Date: 1994

PRINCIPAL OFFICERS:

Eduard Ivanovich Perov, Director
V.A.Shimanaev, Chief Engineer

OWNERSHIP: Progress is a joint stock company. The National Center for Biotechnology holds 50 percent of the shares, the Astyk Grain Products Association, 40 percent, and the employees, 10 percent.

YEAR ESTABLISHED: 1971

MILITARY PRODUCT LINES: The Progress plant was associated with the Soviet biological warfare program.

CIVIL PRODUCT LINES: Pharmaceuticals, animal feed, antibiotics, vitamins, protein vitamin additives, plant-protective media.

KEY TECHNOLOGIES/EQUIPMENT EMPLOYED: N/A

CONVERSION PROJECTS: N/A

HUMAN RESOURCES SUPPORT: N/A

OTHER RELEVANT INFORMATION: Aqsu was formerly known as Aksu. Stepnogorsk, which is in close proximity to Aksu, is frequently cited as the address of the Progress enterprise.

Economic and Trade Overview

NOTE: Conditions are changing rapidly in the NIS. This information, provided by BISNIS and U.S. Government agencies, is current as of March 1995. For updates and other information concerning Kazakhstan's economy and trade, please contact Eric Bruder of BISNIS at (202) 482-4655, ext 34.

Geography: Kazakhstan encompasses 2.7 million square kilometers and is roughly equal in size to Western Europe, over twice the size of Alaska, and approximately four times the size of Texas. Kazakhstan extends from the Caspian Sea to China. The country is bordered by Russia on the north; China on the east; Kyrgyzstan, Uzbekistan, and Turkmenistan on the south; and the Caspian Sea on the west. It is the second largest of the Newly Independent States (NIS) of the former Soviet Union--after the Russian Federation--and represents 12 percent of the former Soviet Union's territory and one-fifth of its arable land. Kazakhstan is the most sparsely settled of the NIS states, with merely 6.2 persons per square kilometer.

The country has *four main economic regions*. **The northern region** contains the big grain farm belt and most of the country's traditional smoke-stack industries, including coal and metallurgy, as well as important mineral deposits such as gold. As the most developed region of the country, it has a solid infrastructure and is fully integrated with European Russia and Siberia. **The western region** has poor infrastructure and a sparse population, but possesses the country's massive undeveloped oil and gas deposits. **The eastern region**, concentrated around the capital Almaty, is the site of diversified manufacturing such as textiles and canned goods and enjoys adequate communications. The copper, lead, and zinc mines are found in the **central and southern regions**, which are similar in geography to the other Central Asian regions, where cotton is king.

Kazakhstan has a dry continental climate, but the country's considerable distance from the moderating influences of the Atlantic and Pacific Oceans causes very cold winters and extremely hot summers.

The country's borders encompass 19 administrative regions with 84 cities, 217 rural districts, and 214 industrial settlements. The largest cities are Almaty, the capital, with a population of 1.2 million; Qaraghandy, with a population of 613,000; and Shymkent, with a population of 401,000.

Population: 16.9 million (1994 census): 43.2 percent Kazakh, 36.4 percent Russian, 5.2 percent Ukrainian, 4.1 percent German, and 11.1 percent are over 100 other nationalities. Population growth is approximately 1 percent per year. Almaty has a majority Russian ethnic population, as do eight of the northern oblasts bordering Russia. Russian is the primary language of an estimated 70 percent of the population. Kazakh is spoken by some 35.7 percent of the population; 5 percent speak German and 2.5 percent speak Ukrainian. The Kazakh language law passed in 1989 mandates that the Kazakh language will become the official language of government and industry sometime in 1995, while the Russian language will retain a secondary status as the language of "inter-ethnic communication." Implementation of the language law has already been postponed a year and its effects are unclear at this time. In practice, the Russian-speaking population is finding it increasingly hard to find jobs without a working knowledge of Kazakh. The Russian legislative bloc is trying--thus far unsuccessfully--to have the law repealed.

Compared to other developing countries, Kazakhstan has a relatively well-educated work force. Almost the entire population is literate, 64 percent of the population 15 and older have a secondary education, and 10 percent have a higher education. Moreover, it has a large skilled industrial work force that can, with some retraining, adapt to higher technologies. Kazakhstan also has a small but well-skilled scientific work force that had been employed in the country's research facilities (largely supporting military research and development) but is now mostly idle.

Environment: Like the rest of the NIS, Kazakhstan is experiencing several environmental problems. The Kazakhstan Ministry of Ecology and Biological Reserves has identified several major environmental problems facing Kazakhstan. These include the desiccation of the Aral Sea, radioactive pollution in the Semipalatinsk region and other neighboring regions, the rise in the level of the Caspian Sea, and industrial pollution resulting from obsolete technologies. The Kazakhstani Government has suggested several possibilities for cooperation with the U.S. Government and the U.S. private sector to improve Kazakhstan's environment. Potential business and technical assistance projects include the production of water and air pollution control equipment, the supply of environmentally sound equipment for nearly all industrial sectors, and the introduction of clean-up measures for existing environmental problems.

Kazakhstani Political Overview: In its fourth year of independence, Kazakhstan continues to grapple uncertainly with the task of shedding Soviet-era authoritarian political institutions. Political, social, and ethnic tensions are growing, and demands by

ethnic Russians-who constitute nearly 40 percent of the population--pose a special challenge to the country's unity.

President Nursultan Nazarbayev remains the leading political figure in the country. In the near term, President Nazarbayev will continue to press for a strengthened confederation, preferably his proposed Eurasian Union.

Key Government Leaders in Office Since October 1994

Prime Minister - A.M. Kazhegeldin

First Deputy Prime Minister - N.K. Isingarín

Deputy Prime Minister - A.S. Esimov

Deputy Prime Minister - V.L. Mette

Minister of Foreign Affairs - K.K. Tokaev

Minister of Finance - A.S. Pavlov

Minister of Oil and Gas Industry - N.U. Balgimbaev

Minister of Economy - L.L. Tleuberdin

Minister of Science and New Technologies - V.S. Shkolnik

Minister of Industry and Trade - G.G. Shtoyk

Chairman of State Committee on Defense Industry - Kadyr Baykenov

Economic Overview: Kazakhstan's economy is geared to the production of raw materials, both agricultural and mineral, for shipment to Russia. The country possesses huge reserves of petroleum and large but still undetermined deposits of natural gas. Kazakhstan is a major world source of copper, chromium, iron ore, magnesium, lead, zinc, silver, and uranium. Kazakhstan also has notable reserves of gold, molybdenum, titanium, vanadium, beryllium, tungsten, manganese, rhenium, and gallium. It also produces 20 percent of the coal of the former Soviet Union. The country's large agricultural sector is centered around grain and livestock; Kazakhstan historically is the only former republic with an exportable grain surplus.

Kazakhstan is currently a minor oil producer, with output at only 460,000 barrels of oil a day in 1993 (about 27 million tons of crude annually) from a number of fields in

the western regions (Atyrau, Mangistau, Uralsk, and Aktyubinsk). Kazakhstan, however, has extensive undeveloped oil resources. The North Caspian oil basin alone contains as many as 19 billion barrels of oil, and the Tengiz field has 9 billion barrels in recoverable deposits. Kazakhstan also produced 112 million tons of coal in 1993. The Ekibastuz coal basin produces low-quality sub-bituminous coal, mostly for power generation at the mouth of the mine. The Karaganda basin in north-central Kazakhstan produces mostly high-quality coking coal. Kazakhstan currently produces approximately 8 billion cubic meters of natural gas. Kazakhstan imports most of its natural gas, but is trying to develop, with foreign investment, a major field at Karachaganak on its northwest border. Kazakhstan is a net importer of electricity. The northern part of Kazakhstan is experiencing severe power shortages mainly because of reduced supplies of electricity from adjoining Russian regions. Southern Kazakhstan depends on electricity supplies from Kyrgyzstan and Turkmenistan. Moreover, oil refineries in eastern Kazakhstan rely on imports of Siberian crude from Russia while much of Kazakhstan's oil is exported to refineries in the Urals.

There are over 5,000 industrial enterprises in Kazakhstan, although several dozen huge enterprises account for a disproportionate share of total production. Two-thirds of this production is concentrated in heavy industry, including 16.5 percent in machine building, 16.2 percent in energy, and 9.3 percent in chemicals. Light industry accounts for 15.3 percent of production, and food processing for 15.4 percent. Kazakhstan industrial plants produce an array of goods, including iron and steel, bulldozers, mineral fertilizers, cement, slate, and roofing materials. Kazakhstan has been dependent on the other former Soviet republics, particularly Russia, for most of its machinery and consumer goods. There is very little domestic production of refrigerators, cars, or oil-producing equipment.

Kazakhstan ranks third in grain production among the former Soviet republics--behind Russia and Ukraine--and it is the only country which produces agricultural surpluses. Average harvests hover around 25 million metric tons, even though poor weather conditions have caused numerous crop failures through the years. Kazakhstan specializes in spring wheat, mostly for human consumption. Other significant crops are cotton and rice in the south. Animal husbandry is a vital part of the domestic economy. Kazakhstan exports significant amounts of meat to other regions of the former Soviet Union. Kazakhstan is also a leading wool producer, accounting for one fourth of the NIS total. The food industry is fairly evenly distributed across Kazakhstan. Almaty accounts for more than one-tenth of the total production. Other regions with relatively large

production include Karaganda in the north-central portion, Qostanay in the north, and Zhambul and Shymkent in the south.

In recent months, the Kazakhstani Government has gradually worked toward the elimination of the state order system. In November 1994, the government announced it would eliminate state orders for grain in 1995. Allowing contracts to be concluded directly between producers and consumers is a positive step in the right direction.

Economic Performance and the Status of Economic Reform: Rising prices, falling demand, and disruptions to traditional trade ties have contributed to a sharp contraction of Kazakhstan's economy over the last few years. According to official statistics, during 1992 - 94 time period, gross domestic product fell almost 45 percent and industrial output declined by 48 percent. The steepest declines have been in the machine-building and chemical sectors, while those industries producing and processing Kazakhstan's abundant energy resources and providing consumer durables have fared better than industry as a whole.

Agricultural output held its own in 1992 as a record grain crop offset sharper drops in livestock production. In 1993, agricultural production declined slightly in 1993 because unfavorable weather late in the season cut a potential second record crop to average levels, while the slide in livestock production continued, albeit at a slower rate. Agricultural production fell 27 percent in 1994, due in part to a 24 percent decline in grain output.

Loose fiscal and monetary policies have spurred inflation, which increased over 1,500 percent in 1994. At the same time, wages have risen at a much slower rate, providing the average Kazakhstani little or no discretionary income. However, monthly inflation declined steadily through the latter part of 1994, falling to 13 percent in December. In addition, the tenge stabilized against the dollar in the latter half of 1994, decreasing by only 17 percent against the dollar (compared to an 85 percent depreciation in the first half).

Kazakhstan is committed to the development of a market economy and free international trade and investment, but the Nazarbayev government has moved slowly on reform, in part because of fear of unrest from unemployment (only 1 percent in 1993) and regional backlash from plant closures. Prices for most goods and services were liberalized in January 1992, and the government began dismantling the system of state

orders in 1993. In another positive development, the Kazakhstani Government freed bread prices in November 1994. Nevertheless, the state continues to control prices on a number of key items such as grain, transportation, baby food, and energy products and continues to maintain state orders for important agricultural and energy products.

Privatization: The Kazakhstani Government has been very slow to implement the privatization program approved in March 1993. Approximately two-thirds of Kazakhstan's 27,500 small enterprises were privatized by the end of 1994. Most of this small-scale privatization was accomplished through the direct transfer of ownership from the Kazakhstani Government to workers' collectives. Another 8,000 small enterprises are being sold through auction, with payments made in cash and coupons issued earlier for housing privatization. By early 1995, however, only about 2,400 of these 8,000 small enterprises have been sold at approximately 450 auctions.

Up to 75 percent of the 8,000 medium-size enterprises are slated for mass privatization over the next two to three years. Mass privatization of medium-size enterprises (200-5,000 employees) includes the free distribution of investment coupons to all Kazakhstani citizens. Kazakhstani citizens will be able to indirectly invest in these enterprises through one of the licensed investment funds (168 funds legalized as of December 1994). Approximately 49 percent of the shares of each medium-size enterprise will be sold to the investment funds, 10 percent will be sold to the workers' collective, and 41 percent will be retained by the government. The government has scheduled the first hard currency auction of shares for six enterprises in late March.

The 280 "very large" or "special" enterprises (over 5,000 employees) will be privatized on a case-by-case basis. Although the tempo of large-scale privatization is slow, two large enterprises, the Almaty Tobacco Factory and the Chymkent Confectionery Factory, have been privatized through significant U.S. investments made by Phillip Morris and R.J.R. Nabisco respectively. To enhance the status of the privatization program, the chairman of the State Property Management Committee (GKI) has been upgraded to a deputy prime minister. The state, however, will probably maintain majority ownership in key industrial enterprises for the foreseeable future.

Kazakhstan's new constitution prohibits private ownership of land, but long-term leasing with the right of inheritance is permitted. Foreign interests may lease but not purchase land. State farms are being privatized into units distributed as shares to employees, who will also be able to buy separate homesteads on demand. From 1992-94,

926 agricultural enterprises have been privatized. This represents 43 percent of Kazakhstan's 2,120 state-owned agricultural enterprises. The Kazakhstani Government will retain a major share in all agribusiness enterprises, including food processing companies.

Foreign Investment Environment: Prospects for major foreign investments in Kazakhstan are very favorable in view of the country's enormous unexplored and unexploited resources and the government's active encouragement of foreign investment. Since 1992, a number of significant joint venture agreements have been signed in Kazakhstan, mostly in the energy sector. As these agreements come to fruition, Kazakhstan will benefit from a significant inflow of foreign capital.

Foreign investments may be established as joint ventures or as wholly owned enterprises. Foreign companies looking to register a branch or joint venture are required to apply to the Ministry of Economy's National Agency for Foreign Investment (NAFI). NAFI notifies foreign investor applicants of its decisions within thirty days after receipt of a license application and other relevant documents. U.S. companies can contact NAFI directly (115 Zheltokan St., on the corner of Bogenbay Batyr St.; Tel: 7-3272-62-90-31/63-72-92). Foreign legal entities looking to open a representative office in Kazakhstan should apply to the Ministry of Industry and Commerce (Tel: 7-3272-60-27-18/32-49-27).

Foreign investments may be authorized in all economic areas with the exception of the manufacturing of products for military purposes. There are no export performance requirements, local content requirements, or restrictions on foreign personnel. Capital movements can, in practice, be constrained by foreign exchange shortages. Foreign firms are permitted downstream operations and are allowed to operate as intermediaries by presidential decree since January 1992.

Property imported for the use of the enterprise or the personal use of foreign specialists is duty free. Investment projects are required to maintain books and statistical records for the purposes of public auditing.

The new Foreign Investment Law, which went into effect in January 1995, expands the rights of foreign investors guaranteed in the 1990 foreign investment law. The new foreign investment law provides foreign investors a universal regime of national treatment, grandfathers all foreign investments for ten years, protects foreign investors against expropriation, and guarantees profit repatriation.

The Kazakhstani Government has appeared willing to allow foreign investors in the service sectors to operate without licenses, and foreign partners in high-tech ventures have been allowed a tax holiday for the first five years and a fifty percent tax reduction in the following five years. However, under the new foreign investment law, all tax holidays have been eliminated.

The right to trade is granted to all companies and individuals, including companies with foreign participation and fully owned subsidiaries of foreign firms. The hard currency needed to purchase imports and the hard currency needed to repatriate dividends to foreign shareholders can be bought from the Kazakhstani National Bank. In addition, Kazakh companies are currently required to exchange for tenge at least 50 percent of their foreign currency earnings through the National Bank of Kazakhstan. It is worth noting that due to the shortage of hard currency, countertrade has proved a useful financing mechanism.

Import licenses are not required in Kazakhstan for most goods. Government procurement practices are not limited by formal "Buy Kazakhstani" regulations, although there is a clear preference to buy locally if possible. In most cases, local products are not comparable to imports, so the policy has little restraining effect.

In January 1995, the Kazakhstani Government announced a new import tariff schedule. Under the new schedule, tariffs range from 5 to 50 percent, averaging approximately 15 percent. Most medical-related imports remain duty-free. The duties specified are established in a percentage of the customs value of the imported goods and paid in tenge, with re-computation of the customs value of the goods according to the tenge exchange rate established by the Kazakhstan National Bank on the day of customs formulation, or in hard currency, at the discretion of the importer. With the exception of alcohol and carpets, import duties are 5 percent or less. In addition to import duties, the Kazakhstani Government maintains a 20 percent value-added tax on most imported goods and a significant excise tax (from 25 percent on carpets to 160 percent on some alcoholic beverages) on a small number of luxury items.

Customs administrative procedures can be burdensome, and special documents are required. Customs issues do not appear, however, to have constrained trade. Foreign firms can import items for their own use duty free. Most goods transit the other former Soviet republics, unless they arrive by air or from China.

According to the Department of Commerce's U.S. and Foreign Commercial Service, the following goods and services represent the best prospects for U.S. exporters: hospital, medical, dental and surgical equipment; printing and packaging machinery; fruit and vegetable processing equipment; computers and data processing equipment; telecommunication services and equipment; dairy farming and agricultural services; drugs and pharmaceuticals; and prepared food products.

The Kazakhstani Government would also like to develop direct transportation links to the Western markets. In December 1992, a memorandum of understanding was signed with Pakistan, for cooperation in the establishment of transport links. In April 1992, an important protocol was signed by the Caspian Sea states of Kazakhstan, Russia, Azerbaijan, Turkmenistan, and Iran on sea transport and other areas of cooperation. The states also announced the possible development of a goods transit facility from the Caspian Sea states via Iranian territory to ports on the Persian Gulf. This would help develop other possible export markets for Kazakhstani goods. Both Iran and Turkey have also offered help in the export of oil by sea. In addition, the Russian and Kazakhstani Governments are continuing negotiations on a Caspian pipeline, which would transport oil from western Kazakhstani oil fields to the Russian Black Sea port of Novorossiysk.

U.S. Trade: Kazakhstan has become one of the fastest growing markets for U.S. exports. In the first three quarters of 1994 (January to September), total U.S. exports increased by almost 200 percent over exports for the same time period in 1993. With the highest per capita income among the Central Asian states, a strong industrial and agricultural base, and one of the more stable political environments in the NIS, Kazakhstan has attracted a large number of U.S. companies.

Total U.S. exports to Kazakhstan increased to over \$114 million in the first three quarters of 1994, a majority of which were exports of manufactured goods. In fact, Kazakhstan has become the second leading destination of U.S. manufactured exports to the NIS (\$112 million). Leading the charge of U.S. exports to Kazakhstan are civil engineering plants and equipment (\$29 million), followed by aircraft and associated equipment (\$21 million), and food processing machines (\$8 million). Other significant U.S. exports to Kazakhstan include measuring, checking, analyzing, and control instruments, automatic data processing machines, motor vehicles, and telecommunications equipment.

Currency: Forced out of the ruble zone in mid-1993 when Russia withdrew pre-1993 rubles from circulation, Kazakhstan was unwilling to agree to Russian terms to join a new ruble zone and issued its own currency, the tenge, in November 1993. The National Bank of Kazakhstan with the introduction of the tenge in November 1993 set an initial exchange rate of 5 tenge to the dollar, but has since allowed the rate to float, with rates set through currency auctions. High inflation and uncertainty over the stability of the currency has contributed to a sharp depreciation of the tenge, which had declined in value by 88 percent during 1994. The official exchange rate as of February 1, 1995 was 58 tenge to the dollar.

With the move to its own currency, Kazakhstan gains much greater control over its monetary affairs, but with it comes the responsibility for maintaining its stability. In January 1995, the Kazakhstani Government banned all cash transactions conducted in foreign currency. This regulation is designed to force all Kazakhstani stores and establishments to accept only tenge for cash sales and is intended to bring about more stability and control over the currency.

While the Kazakhstani Government has maintained a relatively low budget deficit of under 5 percent of GDP, loose credit policies--credits increased almost 330 percent in the first 11 months of 1994--aimed at keeping some otherwise insolvent operations afloat, have contributed to high rates of inflation. The new Kazakhstani Government has maintained tighter monetary and fiscal policies since taking office in October 1994. The Government will continue to be under considerable pressure to ease up on its policies to bail out insolvent enterprises.

The law still restricts private currency trading, and individuals are limited in their authorized access to foreign currency. While any company may participate in the currency auctions, there may be only limited dollars available.

Taxation: The enterprise tax structure is complicated and often ad-hoc. The Kazakhstani Government imposes high effective tax rates on some operations while permitting low net taxes on others. The base rate for the tax on profits is 30 percent. Enterprises are also responsible for paying value-added taxes (20 percent) and contributing to a state investment fund, and to pension and social security funds. Enterprises also pay an array of other taxes--17 different taxes are levied at the republic level and 27 at the local level--for which rates are often variable and subject to frequent changes. Other major taxes include: a 20 percent withholding tax on all payments made

by Kazakhstani companies to foreign entities; a 15 percent dividends and interest tax; a 40 percent personal income tax for all employees in the highest tax bracket (this includes most foreigners working in the country); and a 1 percent road usage tax. The new foreign investment law passed by the Kazakhstani Government in January 1995 eliminated all tax holidays. The Kazakhstani Parliament is currently reviewing a new, reformed tax code, which government officials predict will pass in the spring of 1995.

The Kazakhstani Parliament is also currently reviewing a new oil and gas law, which would clearly define taxation in the oil and gas industry. Kazakhstani officials have stressed that taxation policies will be flexible and designed to attract foreign investment. The profits tax and a special tax on high profits are to be negotiated for each contract with a foreign company. Production bonuses will also be negotiated. The collection of other fees such as rental payments and royalties will be consistent with international practice. Moreover, foreign companies will be exempt from value-added taxes while they are engaged in exploration phases.

The texts of existing laws on foreign investment, taxes, privatization, and ownership are available in translation from the National Technical Information Service. Copies of these laws may be ordered by calling (703) 487-4630.

Current Agreements with Kazakhstan

The Bilateral Trade Agreement: Entered into force February 18, 1993. The agreement provides for Most Favored Nation (MFN) status for products of both countries, improves market access, and provides non-discriminatory treatment for U.S. goods and services in Kazakhstan and for Kazakhstani products in the United States. The agreement also provides strong intellectual property rights protection in reaffirming commitments to international agreements.

Bilateral Investment Treaty: Entered into force January 12, 1994. The treaty guarantees non-discriminatory treatment for U.S. investment and operations in Kazakhstan, hard currency repatriation rights, expropriation compensation, and the right to third-party international arbitration in the event of a dispute between a U.S. company and the Government of Kazakhstan.

Agreement for the Avoidance of Double Taxation: Signed on December 23, 1993 and is awaiting ratification by both the Kazakh parliament and the U.S. Congress before it is entered into force. This agreement will clarify tax treatment for investors and, in many cases, reduce or eliminate tax liability at the source, thus supporting greater investment. The agreement will also provide relief from double taxation, assurances of non-discriminatory tax treatment, cooperation between U.S. and Kazakhstani officials, and the exchange of tax information.

General Agreement on Trade and Tariffs (GATT): Kazakhstan received GATT observer status in October 1992.

International Monetary Fund (IMF)/World Bank: Kazakhstan joined the IMF and the World Bank in 1992. The IMF signed a \$179 million stand-by arrangement with Kazakhstan in January 1994. The World Bank provides financing to Kazakhstan for capital infrastructure projects, such as roads and railways, telecommunications, and port and power facilities. The Multilateral Investment Guarantee Agency (MIGA), an agency of the World Bank that provides investment insurance for noncommercial risks to firms of member countries, including the United States, is also active in Kazakhstan.

European Bank for Reconstruction and Development (EBRD): U.S. companies investing in Kazakhstan are eligible to receive EBRD loans. The EBRD provides

counselling, loans, equity investments, and debt guarantees. EBRD emphasizes programs and activities that support privatization, financial reform, industrial restructuring, infrastructure improvement, foreign investment inflows, and environmental repairs. EBRD operations in Kazakhstan have focused on financial sector development, energy, transport, agribusiness, and environmental protection. Firms seeking involvement in EBRD-funded projects can call Thomas Kelsey, the Procurement Liaison Officer in the U.S. Executive Director's Office, in London at 44-71-338-6569 or by fax at 44-71-338-6487. U.S. companies can also call Brenda Ebeling, Director of the U.S. Department of Commerce's Office of Multilateral Development Banks, in Washington at 202-482-3399 or by fax at 202-482-5179.

Asian Development Bank (ADB): Kazakhstan became a member of the ADB on November 30, 1993. ADB is a development finance institution consisting of over 50 member countries and is engaged in promoting economic and social progress in the Asian and Pacific region. The ADB's principal functions are to make debt and equity investments for the economic and social advancement of developing member countries, to provide technical assistance for the preparation and execution of development projects, to conduct advisory services, and to promote investment of public and private capital for development purposes. As a member of the ADB, Kazakhstan is eligible for the full range ADB financing programs. Primary sectors of ADB lending include energy and power, telecommunications, transportation, and the environment. Firms seeking involvement in ADB-funded projects can call Janet Thomas, the Procurement Liaison Officer in the U.S. Executive Director's Office, in Manila at 632-632-6054 or by fax at 632-632-4003. U.S. companies can also call Brenda Ebeling, Director of the U.S. Department of Commerce's Office of Multilateral Development Banks, in Washington at 202-482-3399 or by fax at 202-482-5179.

Current U.S. Programs for Kazakhstan

U.S. Department of Defense ("Nunn-Lugar" Program): The Nunn-Lugar program seeks to assist Kazakhstan, Russia, Ukraine, and Belarus in the safe and secure transportation, storage, and destruction of nuclear, chemical, and other weapons of mass destruction. The program also seeks to prevent proliferation of weapons of mass destruction.

Before Nunn-Lugar funds could be spent, cooperative legal agreements had to be reached with the four former Soviet states on whose territory nuclear weapons were located -- Kazakhstan, Russia, Ukraine, and Belarus. By the end of 1993, the United States had signed umbrella agreements and implementing agreements for the Nunn-Lugar program with each of these four countries.

Nunn-Lugar funds are administered by the U.S. Department of Defense through the contracting authority of the Defense Nuclear Agency (DNA). The majority of these funds are allocated for nuclear weapons dismantlement of strategic offensive arms, export control and material control and accounting, nuclear weapons safety, security, and storage. Limited funding also has been designated to support joint U.S.-FSU industrial partnerships to convert industries or spin-offs of these industries to produce civilian, commercial goods specifically in Kazakhstan, Russia, Ukraine, and Belarus. Nunn-Lugar defense conversion funding has provided seed money to assist U.S. companies to form commercial joint business initiatives with selected NIS enterprises formerly engaged in production related to weapons of mass destruction. These funds have been awarded through the competitive bidding process.

There have been two meetings of the U.S.-Kazakhstan Defense Conversion Committee -- an inaugural meeting in Almaty in March 1994 at which the two sides signed a Nunn-Lugar implementing agreement calling for up to \$15 million in assistance for industrial partnerships, and a follow-on meeting in November 1994. At the latter, the United States agreed to sponsor a conference to bring together U.S. and Kazakhstani enterprise managers. The Kazakhstani managers also participated in a three week, International Executive Service Corps-sponsored, business development seminar in March 1995 and a business development conference in Houston.

A \$5.0 million contract under a July 26, 1994 Request for Proposals for joint

business initiatives was awarded on January 20, 1995 to AT&T to convert a Kazakhstan military/industrial company-- Kazinformtelecom -- into an international telecommunications company. Additional contract awards for industrial partnerships covering the remaining \$10 million of the \$15 million agreed to last year are expected in March 1995.

For FY 1995, the defense conversion program is placing increased emphasis on promoting trade and investment. The Defense Department is shifting from direct Defense Nuclear Agency contracts to investments through the Defense Enterprise Fund, a private, non-profit corporation authorized by Congress to provide loans, equity and grants for industrial partnerships involving defense enterprises in the former Soviet Union. The Defense Department plan for FY 1995 is to provide \$10 million to the Defense Enterprise Fund to invest in additional industrial partnerships in Kazakhstan.

The increased emphasis on advancing defense conversion through trade and investment has broadened interagency support for the U.S.-Kazakhstan Defense Conversion Committee. This support, described in more detail in other sections of this Directory, has come from the Overseas Private Investment Corporation, some of whose \$500 million in loans and guarantees "reserved" for defense conversion in the NIS are likely to support joint ventures in Kazakhstan; the Trade and Development Agency's support for business feasibility studies in the NIS; EX-Im Bank programs to support the import of American goods into Kazakhstan; DOE's Industrial Partnering Program; USAID's Central Asian American NIS Enterprise Fund, Commerce's business internship program, and the International Executive Service Corps, which maintains resident advisors in Kazakhstan.

Overseas Private Investment Corporation (OPIC): OPIC has signed a bilateral agreement with Kazakhstan authorizing it to provide loans, loan guarantees, and investment insurance to U.S. companies that invest in Kazakhstan. Additionally, OPIC has reserved \$500 million in loans and guarantees for NIS defense conversion. For more information regarding OPIC programs in Kazakhstan, contact Gary Sands, OPIC Finance Officer (Tel: 202-336-8496) or Robert Feath, OPIC Insurance Officer (Tel: 202-336-8572).

Special American Business Internship Training Program (SABIT): Commerce's Bureau of Export Administration (BXA) and SABIT are working together to implement a \$1.2 million specialized training program for approximately 100 defense enterprise

experts from, Kazakhstan, Belarus, Russia, and Ukraine. This exciting new program will focus on eight target industry sectors: electronics, avionics and aerospace, telecommunications, chemicals/pharmaceuticals, oil and gas, medical devices and equipment, infrastructure equipment manufacturing, and environmental technologies. For applications and further information, please contact SABIT at the following address: SABIT Program; International Trade Administration, Room 3413; 14th Street and Constitution Ave., N.W., Washington D.C. 20230; Fax: 202-482-2443; Tel: 202-482-0073.

Export-Import Bank of the United States (Eximbank): Eximbank is open for business in Kazakhstan. Eximbank grants short- and medium-term credit insurance, medium- and long-term loan guarantees, and direct loans to American firms trading to Kazakhstan. Eximbank requires an Irrevocable Letter of Credit or guarantee from the Kazakhstan Eximbank. The contact is Berlin K. Irishev, Chairman of the Board. He can be reached at 7-3272-618-382 or 612-759 or by fax at 615-704 or 531-260. Eximbank has also signed a Project Incentive Agreement with the Kazakhstani Government and the National Bank of Kazakhstan. Under this agreement, U.S. exports for major projects in Kazakhstan could be financed via an Eximbank guarantee, without a sovereign guarantee from the Kazakhstani Government. The National Agency for Foreign Investment (NAFI), a branch of the Ministry of Economy, is the implementing agency for this agreement. For more information about Eximbank programs for Kazakhstan, contact Michele Davis, International Business Development Officer (Tel: 202-565-3913).

U.S. Trade and Development Agency (TDA): TDA is authorized to operate in Kazakhstan. TDA provides funding for U.S. firms to carry out feasibility studies of major projects in developing countries. For more information on TDA funding for Kazakhstan, contact Daniel Stein, Regional Director or Alison Koff, Country Manager (Tel: 703-875-4357; Fax: 703-875-4009).

Central Asian American Enterprise Fund: The Central Asian American Enterprise Fund has been capitalized by the U.S. Government at \$150 million over the next three to four years. The fund will be managed by a private board of directors, and will have the authority to make debt and equity investments and offer technical assistance to promote new private enterprises in the Central Asian states. The fund will concentrate mainly on promoting small- and medium-size companies. The fund will give preference to projects in infrastructural sectors such as food processing, textile manufacturing, distribution and transportation, and consumer goods production. For more information, contact the

Central Asian-American Enterprise Fund directly (Tel 212-826-2100; Fax 212-371-2587).

Peace Corps: Peace Corps staff arrived in Kazakhstan in January 1993, and volunteers arrived in June 1993. Peace Corps programs include support for small enterprise development and the teaching of English as a foreign language.

THE INTERNATIONAL EXECUTIVE SERVICE CORPS

The International Executive Service Corps has been retained by the Defense Nuclear Agency to facilitate the development of joint business initiatives between US companies and Kazakhstani defense enterprises. IESC has been working with the management of the Kazakhstani enterprises during the past year to help them 1) identify core competencies, 2) develop business proposals for joint ventures with foreign companies, and 3) locate potential foreign partners, markets and sources of financing.

IESC will assist US companies interested in doing business with any of the enterprises listed in this directory by 1) providing additional information on their capabilities, management and on regional markets, 2) facilitating contact between the parties, 3) providing technical or managerial assistance/training to the Kazakhstani companies to help them acquire skills that will smooth the transition to profit-driven commercial enterprises.

In March 1995, IESC organized a three week study tour in the United States for 20 managers from 13 of the plants listed. During the first two weeks of the tour participants visited with and studied the operation of a variety of US companies to learn first hand about American business practices. The third week featured a conference sponsored by the US Department of Commerce in which the Kazakhstanis met with and, in a number of cases, signed contracts with US companies to develop joint business ventures.

IESC is a not-for-profit organization created in 1964 to assist private businesses in developing countries. These activities are primarily funded by the US Agency for International Development. IESC is currently active in 55 countries and, since 1992, has been particularly active in the New Independent States (NIS) of the former Soviet Union. Today, IESC has offices in eight republics in the NIS. IESC's office in Kazakhstan was opened in November 1992 in Almaty and has provided assistance to over 100 Kazakhstani enterprises, including many of the companies included in this directory.

US companies interested in utilizing IESC services are invited to contact IESC staff in either Almaty, Kazakhstan or Stamford, Connecticut.

Contact Information:

Stamford: Frederick Kellett, Project Officer for Central Asia
P.O. Box 10005, Stamford, CT 06904
Tel: (203) 967-6009 Fax: (203) 359-3233

Kazakhstan: Nancy Lindborg, Regional Director, or Theresa Weber, Assistant Director, or Martin Zapf, Industry Restructuring Advisor- 76 Kabanbai Batyr Street #2, 480100, Almaty, Kazakhstan
Tel: (7-3272) 61-88-21 Fax/Tel: (7-3272) 50-62-46

Securing a Place in the World

(A perspective of the U.S.-Kazakhstan Council)

One-third the size of the continental United States, with a population equal to that of Texas, Kazakhstan sits midway between the Atlantic and Pacific Oceans in the heart of the Asian landmass, anxious to secure its rightful place in the world. The government has communicated a five-pronged ideology that will, in the years ahead, strengthen Kazakhstan as a sovereign state and anchor a secure place for the republic in the international community. The tenets of this ideology, as outlined by President Nursultan Nazarbayev, encompass independence, modernization, interethnic accord, political stability, and integration.

Independence

Independence, according to President Nazarbayev, is not an end in itself, but rather, is "for the sake of rebirth, for the sake of improving people's lives." With the signing of START-1 and the Nuclear Nonproliferation Treaty in late-1994, Kazakhstan received security guarantees from the world's nuclear powers, which President Nazarbayev called an "historic and important move" that attests to the inviolability of Kazakhstan's borders. The republic also recently reached a number of agreements with Russia that call for joint-military cooperation and the guarantee of rights of Kazakhstani and Russian citizens within each other's country. President Nazarbayev stresses that the move is a pragmatic step to better assure internal and regional stability, especially considering the republic's defense conversion program. He further emphasizes that these steps do not compromise Kazakhstan's sovereignty: "The national army of Kazakhstan and the Russian army are two separate armies of two independent countries."

Modernization

Modernization entails a number of different spheres, specifically the creation of a commercial infrastructure and legal framework that conform to the standards of the developed world. The country's program of privatization, which over the last five years has led to nearly a fourfold increase in the proportion of non-state enterprise output in total production, is fundamental to the development of a modernized, market-oriented economy. Increasing reform, through continued modernization of Kazakhstan's legal system and the implementation of a new tax code and Law on Oil, will further lead to the "creation of a market economy and establish mutually beneficial partnerships [between Kazakhstan and] the outside world."

Interethnic Accord

Inter-ethnic accord has long been recognized as the key to Kazakhstan's growth, for without it, the country would be unable to transform itself. President Nazarbayev has gone so far as to state that "only thanks to the preservation of stability and interethnic and civil harmony [has Kazakhstan] been able to

avoid disastrous cataclysms." Increasing cooperation with Russia both economically and militarily, plans to transfer the capital to a region that is heavily Russian, and a move toward establishing Russian as a state language equal to Kazakh are meant to mollify Russian fears of discrimination and harassment.

Political Stability

Political stability rests largely in the hands of President Nazarbayev. The creation in October 1994 of the new Cabinet of Ministers, a like-minded group unified in its push toward enacting reform, served to calm the country's political environment, but falling production and increasing unemployment has led some in Kazakhstan's parliament to become increasingly vocal in opposing the government's actions. Despite the current state of the economy and opposition voices, however, President Nazarbayev and his cabinet have been relatively successful in educating the public about the reform program. The majority of Kazakhstan's citizens understand that a painful period of transition must be endured before the economy will stabilize.

Integration

Integration, specifically among CIS member states, has been a major focus of President Nazarbayev. With the belief that "single-handed attempts by the former Soviet republics to modernize their economies have failed," President Nazarbayev has called for the creation of a Eurasian Union, modelled largely on the European Union. Although the creation of such a supranational body in the near future is unlikely, Kazakhstan is set to enter the Russian-Belarusian customs and payments unions. The agreements will free-up trade between the countries and most likely lead to further multilateral economic cooperation in the region.

The Only Path

Clear in his vision for creating a strong, sovereign Kazakhstan, President Nazarbayev answers those who question the country's present ideological orientation with the statement: "It is impossible to go back to the socialist economic system, the planned command system... To say we will somehow return to what was is simply to deceive ourselves." The country is following the *only* path: "The main goal of today is to preserve the country's sovereignty." In the end, he asks rhetorically, "What is there to talk about?"

[Note: The United States-Kazakhstan Council is a non-profit organization committed to securing a place for American firms in Kazakhstan's burgeoning free market by fostering commercial ties and business between the two countries. The Council supports its mission in a variety of ways, including conducting research and disseminating its findings, publishing the *U.S.-Kazakhstan Monitor*, acting as a source of information on Kazakhstan, sponsoring conferences, organizing special events in the US and Kazakhstan, monitoring the privatization and economic development programs initiated by the Kazakh government, arranging for US firms to directly meet with senior government officials in Kazakhstan, and screening and securing business partners for US firms.]

Travel Information

Visas: A visa is required for all travelers to Kazakhstan. Business and tourist visas are issued by the Embassy of Kazakhstan in Washington, D.C. (Address: Embassy of Kazakhstan, 3421 Massachusetts Ave., NW, Washington D.C. 20007; Tel: (202) 333-4504; Fax: (202) 333-4509)

Local Transportation: Kazakhstan's transportation network is adequate to serve the needs of major industrial and population centers, but shortages of spare parts are chronic; one-third of the railway network needs to be overhauled; rolling stock and other equipment are obsolete and should be replaced; and the rural road network needs considerable improvement. Moreover, transportation networks connecting Kazakhstan's regions are poorly developed.

Air Travel: Aeroflot, Kazakhstan Airlines, Air Turkey, and Lufthansa have regular air service to Almaty from the west and China Air travels to Almaty from the east.

Communications: The Kazakhstan telephone system is outdated and is in need of a complete overhaul. Telephone and facsimile lines are extremely poor within the country, but adequate within Almaty. International telephone lines are usually reliable, while international facsimile service is rarely successful.

Medical Facilities: Medical care in Kazakhstan is limited; many basic drugs and medical supplies are lacking. For medical advisory information, call the Center for Disease Control's International Travelers Hotline: 404-332-4559.

Money: Kazakhstan is mostly a "cash-only economy"; traveler's checks and credit cards are rarely accepted - this is slowly changing.

For additional travel information, call the 24-hour State Department Travel Warnings:

202-647-5225 or write to:

Citizens Emergency Center

Room 4800

Department of State

Washington, D.C. 20520-4818

(Write "Kazakhstan" on outside of envelope)

Holidays in Kazakhstan

January 1 and 2

January 28

March 8

March 22

May 1

May 9

December 16

New Year

Constitution Day

International Women's Day

Nauriz Mearami

Worker's International Solidarity Day

Victory Day

Independence Day

Useful Contacts and Addresses for Kazakhstan

The Embassy of Kazakhstan

Ambassador Tuleutai Suleimenov

First Secretary Marat Esenbaev

3421 Massachusetts Avenue, N.W.

Washington, D.C. 20007

Tel: 202/333-4504

Fax: 202/333-4509

Consular Affairs/Visa Applications - Tel: 202/333-4507

Permanent Representative at the Kazakhstan Mission to the United Nations

Ms. Akamal Arystanbekova

New York, NY 10021

136 East 67th Avenue

Tel: 212/472-5947

Fax: 212/628-0252

U.S. Embassy/Almaty:

Ambassador William H. Courtney

Mr. Janet Bogue, Chief of Political and Economic Section

Location:

99 Furmanova Street

Almaty, Kazakhstan

Tel: 7-3272-63-29-42, 63-24-26

Fax: 7-3272-63-38-83

Telex: 251375 AMEMBSU

Mailing Address:

(Name of Employee)

U.S. Embassy Almaty

U.S. Department of State

Washington, D.C. 20521-7030

U.S. and Foreign Commercial Service:

Ms. Susan R. Weidner, Senior Commercial Officer

Location:

531 Seyfullina Pereulitsa

Rooms 501, 503

Almaty, Kazakhstan 480083

Tel: 7-3272-63-70-72, 63-70-08, 63-70-01

Fax: 7-3272-63-38-83 or 7-327-581-1576 (INTL), 8-3272-63-90-11(NIS)

Mailing Address:

(Name of Employee)

U.S. and Foreign Commercial Service

c/o U.S. Embassy Almaty

U.S. Department of State

Washington, D.C. 20521-7030

The U.S.-Kazakhstan Council

Mr. John Luke, Vice President for Corporation Affairs

Mr. Bijan Sepasy, Vice President for Program Development

2000 L Street, NW, Suite 200, Washington, DC

Tel: 202-416-1624 Fax: 202-416-1865

International Executive Service Corps

Mr. Frederick Kellett

Project Officer for Central Asia

PO Box 10005, Stamford CT 06904

Tel: 203 967 6009 Fax: 203 359 3233

Tourist Advisory Information:

24-hour State Department Travel Warnings: Call 202-647-5225

or write to: Citizens Emergency Center, Room 4800, Department of State

Washington, D.C. 20520-4818 (Write "Kazakhstan" on outside of envelope)

Medical Advisory Information:

Centers for Disease Control International Travelers Hotline: 404-332-4559

Also, request the list of Business Services Available in Kazakhstan. This document is available through the BISNIS FlashFax by calling 202-482-3145, or by calling BISNIS at 202-482-4655.

Banks in Kazakhstan

Of the 200 banks that operate in Kazakhstan, 22 have a general license, which permits them to establish correspondent banking relations with foreign institutions. The largest banks are spin-offs of the former specialized Soviet banks and serve largely to channel credits and subsidies to farms and state enterprises. Alem Bank, previously the regional office of Vnesheconombank, is the most important foreign trade bank, handling 80 percent of foreign exchange. The opening of several foreign banks, including Deutsche Bank, ABN AMRO, and the International Bank of Kazakhstan, a joint venture between Chase Manhattan Bank and the National Bank of Kazakhstan, has helped to improve international transactions.

Alem Bank of Kazakhstan

(formerly the State Bank, Kazyneshekonombank)

President: Berlin K. Irishev

480091 Almaty

Lenin Avenue, 39

Kazakhstan

Tel: (7-3272)618382, 618004, 618882

Fax: (7-3272)615704

Telex: (7-3272)251-206 AVAL SU

Turanbank

(Kazakh Stock Bank)

Chairman: Oraz M. Beisenov

480091 Almaty

Oktyabrskaya Street, 55

Kazakhstan

Tel: (7-3272)621774, 326422, 624955

Fax: (7-3272)622931

Telex: (7-3272)251237 ROSA

Kramds Bank

480091 Almaty
Rozybakiyev Street, 101
Kazakhstan
Tel: (7-3272)462683

Al Baraka Kazakhstan International Bank

480091 Almaty
Mechnikov Street, 90
Kazakhstan
Tel: (7-3272)673215

National Bank of Kazakhstan

(also referred to as the NBK, or the central bank)
President: Boris D. Ryabov
480091 Almaty
Mkr. Koktem-3, D.21
Kazakhstan
Tel: (7-3272)634658, 623923
Fax: (7-3272)637342

Kazakhstan Bank

(Commercial Bank)
Director: Nikolai S. Krasovski
480091 Almaty
Ulitsa Mate Zalki, 80
Kazakhstan
447809
Tel: (7-3272)271284
631207
Fax: (7-3272)263343

Almaty Stock Exchange

480091 Almaty
Timipiazeva Street, 42
Kazakhstan
Tel: (7-3272)441043
Fax: (7-3272)636634

U.S. Representation**Kazakhstan International Bank (Chase Manhattan)**

Richard Hutchinson/Alexsey Dudkin
597 Seyfullin Street
3rd Floor, Almaty
Kazakhstan
Tel: (7-3272) 67-43-42
Fax: (7-3272) 54-22-99

Citibank

George C. Mead
157 Abay Avenue
8th Floor, Suite 32, Almaty
Kazakhstan
Tel: (7-3272) 50-94-18
Fax: (7-3272) 50-94-18

Selected Kazakhstani Government Leaders

President

Nursultan A. Nazarbayev
480091 Almaty
Republic Square, 4
Kazakhstan
Tel: (7-3272)623016
Fax: (7-3172)639595, 637633

Vice President

Erik M. Assanbaev
Tel: (7-3272)627758

Prime Minister

A. M. Kazhegeldin
Government House
480091 Almaty
Kazakhstan
Tel: (7-3272)627966
Fax: (7-3272)637633

First Deputy Prime Minister

N. K. Isingarín
Tel: (7-3272) 62-48-97, 62-96-00

Deputy Prime Minister

A. S. Esimov
Tel: (7-3272)695754, 691706

Other Deputy Prime Ministers:

V. L. Mette
V. V. Sobolev

Minister of Economy

L. L. Tleuberdiñ
Zheltoksan Street, 115
480091 Almaty Kazakhstan
Tel: (7-3272)626500
Fax: (7-3272)636605

Minister of Internal Affairs

B. A. Baekenov
Kabanbay Batyr Street, 95
480091 Almaty Kazakhstan
Tel: (7-3272)628457
Fax: (7-3272)695530

Minister of Foreign Affairs

K. K. Tokaev
Aiteke Bi, 65
480091 Almaty Kazakhstan
Tel: (7-3272) 632538, 631874
Fax: (7-3272) 631387

Minister of Health

V. N. Devyatko
Abaykhan Avenue, 63
480091 Almaty Kazakhstan
Tel: (7-3272)334611
Fax: (7-3272)331719, 631387

Minister of Defense

Sagadat K. Nurmagambetov
Dzhandosov Street, 53
480091 Almaty Kazakhstan
Tel: (7-3272) 214735
Fax: (7-3272) 282346, 286877

Minister of Industry and Trade

G. G. Shtoyk
Gogol Street, 111
480091 Almaty Kazakhstan
Tel: (7-3272) 620603
Fax: (7-3272) 620806

Chairman of the State Committee on Defense Industry

Kadyr Baykenov
111 Gogol
Almaty, Kazakhstan
Tel: (7-3272) 618821
Fax: (7-3272) 506246

Minister of Communications and Transportation

S. K. Aliguzhinov
Seifullin Street, 458
480091 Almaty Kazakhstan
Tel: (7-3272) 392887
Fax: (7-3272) 393255

Minister of Agriculture

Zhanybek S. Karibzhanov
Republic Square, 15
480091 Almaty Kazakhstan
Tel: (7-3272) 620878
Fax: (7-3272) 631377

Minister of Energy and Coal Industry

V. V. Karmakov
Bogenbay Batyr Street, 142
480091 Almaty Kazakhstan
Tel: (7-3272) 626630

Minister of Oil and Gas Industries

N. U. Balgimbaev
Bogenbai Batyr Street, 142
480091 Almaty Kazakhstan
Tel: (7-3272) 626080
Fax: (7-3272) 626630

Minister of Finance

A. S. Pavlov
Abylaykhan Avenue, 97
480091 Almaty Kazakhstan
Tel: (7-3272) 624675
Fax: (7-3272) 622770

Minister of Ecology and Bioresources

Svyatoslav A. Medvedev
Panlifov Street, 106
480091 Almaty Kazakhstan
Tel: (7-3272)631273
Fax: (7-3272)635244

Minister of Geology and Protection of Subsoil Resources

Serikbek Zh. Daukeev
Bogenbai Batyr Street, 115
480091 Almaty Kazakhstan
Tel: (7-3272)616087
Fax: (7-3272)611609

Minister of Science and New Technologies

V. S. Shkolnik
Masachi Street, 57a
480012 Almaty Kazakhstan
Tel: (7-3272) 625614, 629385
Fax: (7-3272) 624411

Minister of Labour

P. I. Krepak

Abylaykhan Avenue, 93/95

480091 Almaty Kazakhstan

Tel: (7-3272) 621168

Fax: (7-3272) 629973

Minister of Construction and Housing

A. K. Tshanov

Zheltoksan Street, 98

480091 Almaty Kazakhstan

Tel: (7-3272) 629100

Fax: (7-3272) 629106

Minister of Education

Erezhep A. Mambetkaziev

Zhambil Street, 25

480091 Almaty Kazakhstan

Tel: (7-3272) 610309

Fax: (7-3272) 610212

Minister of Publishing and Mass Media

Altynbek Sarsenbayev

Republic Square, 13

480031 Almaty Kazakhstan

Tel: (7-3272) 639397

Fax: (7-3272) 639317

Minister of Youth, Tourism and Sport

Birganim S. Aitimova

Abay Ave, 48

480072 Almaty Kazakhstan

Tel: (7-3272) 673986

Fax: (7-3272) 675088

Minister of Culture

T. A. Mamashev
Gogol Street, 35
480002 Almaty Kazakhstan
Tel: (7-3272) 306318
Fax: (7-3272) 302913

First Deputy of Finance at the Committee for Customs

Nurlan H. Tlemisov
Nauryzbay batyr, 75
480091 Almaty Kazakhstan
Tel: (7-3272) 390934
Fax: (7-3272) 631207

National Agency for Foreign Investments

Zheltoksan Street, 112
480091 Almaty Kazakhstan
Tel: Tel: (7-3272) 634592, 637292
Fax: (7-3272) 636605, 636984

Chairman of the State Property Committee

S. S. Kalmurzaev
Kazybek Ki Street, 66
480091 Almaty Kazakhstan
Tel: (7-3272) 628562
Fax: (7-3272) 623280
(The Committee is responsible for Kazakhstan's privatization efforts.)

Chairman of the State Price and Antimonopoly Policy Committee

Pyotr V. Svoik
Kazybek Ki Street, 66
480091 Almaty Kazakhstan
Tel: (7-3272) 627705

Chairman of the State Committee for Water Resources

Nariman K. Keepshakbaev
118, Zheltokosan Street
480091 Almaty, Kazakhstan
Tel: (7-3272) 637601

Chairman of the State Committee on Statistics and Analysis

V. I. Goryachkovsky
Abay Ave, 125
480091 Almaty, Kazakhstan
Tel: (7-3272) 621461
Fax: (7-3272) 420824

Chairman of the Forestry Committee of the Ministry of Ecology and Bioresources

Alexander K. Amanbaev
Zheltoksan Street, 11
480091 Almaty, Kazakhstan

Sources of Information for Kazakhstan

In addition to official U.S. Government sources, some of the following sources were consulted in preparing this document and are recommended for further reading:

Foreign Direct Investment in the States of the Former USSR, The World Bank.

The World Bank
1818 H. Street, N.W.
Washington, D.C. 20433
Telephone: 202-477-1234
Fax: 202-477-6391

Economic Review: Kazakhstan, International Monetary Fund (IMF).

International Monetary Fund
Publications Services
700 19th Street N.W.
Washington, D.C. 20431
Tel: 202-623-7430
Fax: 202-623-7201

Quarterly and Annual Economic Reviews, European Bank for Reconstruction and Development.

European Bank for Reconstruction and Development
One Exchange Square
London EC2A 2EH
England
Tel: 44-71-338-6000
Fax: 44-71-338-6100

Kazakhstan: USAID Health Profile, April 1992.

Center for International Health Information/ISTI
USAID Health Information System
1601 N. Kent Street
Suite 1001
Arlington, VA 22209
Tel: 703-524-5225
Fax: 703-243-4669

CRS Report for Congress

Kazakhstan: Basic Facts

Congressional Research Service • The Library of Congress

CRS - FAND

Washington, D.C. 20540

U.S.-Kazakhstan Monitor, A Monthly Newsletter Published by the

U.S.-Kazakhstan Council

2000 L Street, Suite 200

Washington, DC 20036

Russian Petroleum Investor, A Monthly Intelligence Report on the NIS Petroleum Industry

Moiria S. Brennan

14755 Ventura Boulevard

Suite 1-424

Sherman Oaks, CA 91403

Tel: 818-981-7194

Fax: 818-981-7547

Petroleum Intelligence Weekly Special Report, April 1993:

Kazakhstan: The Golden Road to Oil and Gas in Central Asia

PIW

575 Broadway

4th Floor

New York, NY 10012-3230

Fax: 212-941-5509

Kazakhstan Business and Petroleum Intelligence Weekly

P.O. Box 309

Leverett, MA 01054-0309

Tel/Fax: 413-367-2853

Oil and Gas: Russia, Central Asia, and the Caucasus

Published Quarterly by Oil and Gas Russia Ltd.

The Kingsgate Business Centre

12-50 Kingsgate Road

Kingston-upon-Thames

Surrey KT25AA, UK

Tel: 081-547-2411

Fax: 081-547-2157

Global Monitor, Kazakhstan, A CD-Rom disk with information on legal and economic issues, the energy sector, and general business and travel data.

In+Sync Imaging

10440 Deerwood, Suite 200

Houston, TX 77042

Tel: 1-800-801-2342

Insync Imaging, Inc. is now accelerating access to information on Kazakhstan with "Global Monitor-Kazakhstan", the first multi media business guide on CD-ROM which gathers months of in depth research using reputable sources of information including the World Bank, the U.N., the US and Kazakh governments and several private consultants. Global Monitor assists companies in developing business opportunities in Kazakhstan. Information is constantly updated and a new CD-ROM is issued quarterly. The program includes economic and statistic data, financial and joint-venture considerations, current translated laws and tax regulations, industrial projects descriptions, investment opportunities along with a complete industry directory including an extensive contact database and the first phone book ever made in Kazakhstan. Travel information along with interactive industrial and city maps and over 300 photographs are included.

The Kazakhstan Today Bulletin, A Monthly Chronicle of Political and Economic Events

Ms. Gulzada Bafina

c/o of Panorama

480013 Almaty

Lenin Avenue, 36

P.O. Box 151

Kazakhstan

Tel: 7-3272-61-63-25

Fax: 7-3272-63-58-11

Caravan Business News, Monthly Magazine for the Business Community

Caravan Joint Stock Company

480004 Almaty

Tchaikovsky, 11

Kazakhstan

Tel: 7-3272-32-84-20

Fax: 7-3272-62-32-63 or 39-98-95

Telex: 251382 CAMEL SU

(In Almaty, Caravan can be purchased at the Kazakhstan Institute of Management, Economics, and Strategic Research; the Hotel Kazakhstan; the Dostyk Hotel, and the Caravan Business News Office).

Olcott, M. B. The Kazakhs. Stanford, CA: Hoover Institution Press, 1987